



## **PUBLIC UTILITIES COMMISSION AGENDA**

City of Brainerd, Minnesota  
City Hall, 501 Laurel Street, Council Chambers  
Tuesday, October 28, 2025 @ 9:00 AM

The public is invited to attend these meetings in person

**Meetings are broadcast on CTC ch 8, Charter ch 181, YouTube, AppleTV, Roku, and Amazon FireTV**

1. **Call To Order**

2. **Roll Call**

\_\_\_ M. Higgins \_\_\_ D. Matten \_\_\_ M. O'Day \_\_\_ M. Angland

3. **Pledge of Allegiance**

4. **Approval Of Agenda - Voice Vote**

5. **Consent Calendar**

NOTICE TO PUBLIC - all matters listed are considered routine by the Commission and will all be enacted by one (1) motion. There will be no separate discussion of these items unless good cause is shown prior to the time the Commission votes on the motion to be ADOPTED BY ROLL CALL

A. **Approval of Minutes**

B. **Approval of Bills**

6. **Public Forum**

Time allocated for citizens to bring matters not on the agenda to the attention of the Commission -  
Time limits may be imposed

7. **Commission Committee Reports**

A. **Personnel Committee**

B. **Finance/Operations Committee**

8. **Unfinished Business**

(See attached separate memo regarding updates on unfinished business)

A. **Memo**

B. **Direction requested on Payment in Lieu of Tax/ City Contribution - Tabled from Sept. Meeting**

- C. **Direction Requested on Donation of Paint of Main Lift Buildings**
  - D. **Approve Rotary Park Solar Contract**
9. **New Business**
- A. **Discuss Preliminary 2026 Budget**
  - B. **Discuss EV Charging - Rate/Future Plan**
  - C. **Discuss on Leaking Services Policy**
10. **Staff Reports**  
(Verbal: Any Updates since Packet)
- A. **City Administrator Report**
  - B. **Council Liaison Report**
  - C. **HR Director Report**
  - D. **Finance Manager Report**
  - E. **Operations Manager Report**
  - F. **Water/Wastewater Manager Report**
  - G. **Technology Department Report**
11. **Commission Member Reports**
12. **Adjourn**

Visit Brainerd Public Utilities website at [www.bpu.org](http://www.bpu.org)

#### MISSION

"The mission of Brainerd Public Utilities is to provide safe, reliable, environmentally friendly electric, water and sewer services to our customers at the lowest reasonable cost."



# BRAINERD PUBLIC UTILITIES

8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401  
**Business Office:** 218.829.8726 ■ **Repair Service:** 218.829.2193  
www.bpu.org

The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on September 30, 2025.

Commission President Angland called the meeting to order at 9:00 AM.

### Commission Roll Call

Mike Angland – Absent  
Dolly Matten – Present

Mark O’Day – Present  
Mike Higgins – Present

### Utility Staff Present

Finance Manager  
Operation Manager  
Water/Wastewater Manager  
Recording Secretary

Danny Loch  
Trent Hawkinson  
Charlie Gammon  
Becky Ridlon

### Others in Attendance

City Administrator  
HR Director  
Public Works Director  
Community Development Director  
City Council Liaison  
Bolton & Menk  
Widseth  
Tanner Motors  
Tanner Motors  
Citizen  
Citizen

Nick Broyles  
Kris Schubert  
Mike Habighorst  
James Kramvik  
Jeff Czczok  
Morgan Salo, PE  
Bill Westerberg, PE  
Tony Banse  
Glen Ertl  
Brian Timmers  
Ken Heintzeman

Commissioner O’Day opened the meeting with the Pledge of Allegiance.

### Approval of Agenda Items

Commissioner Matten requested to add the issuance and sale by the city of Brainerd, Minnesota of general obligation bonds payable from net revenues of the city’s utilities. Under New Business Item E.

**Motion by Commissioner Matten and seconded by Commissioner Higgins to approve the amended agenda. There was a unanimous vote in favor of the motion. Motion carried.**

## BRAINERD PUBLIC UTILITIES COMMISSION MEETING

September 30, 2025

### Approval of Consent Items

**Motion by Commissioner Matten and seconded by Commissioner Higgins to approve the minutes from August 26th, 2025, regular monthly meeting, current month's bills and to approve recommendation of the sale of surplus items auction website and approve final pay application to Minger Construction for the River Crossing Forcemain of \$15,000. There was a unanimous roll call vote in favor of the motion. Motion carried.**

### Public Forum

None

### Commission Committee Reports

#### Personnel

Matten said the committee met over the phone and everything they discussed is in the agenda items.

#### Finance/Operations Committee

Higgins noted the committee met once and talked about the request for the PILOT to be changed and a few other items but will be discussed in agenda items.

### Unfinished Business

#### Memo -See board packet for updates.

Discussion included: Loch updated the commission on a few items, BlockMetrix request is in the agenda packet and will be discussed. ClimaVision staff are working with City Attorney updating the language on getting that on the tower. Hydrogeneration- BARR will have some updates next month that looks promising.

#### Discuss BlockMetrix Contract- See board packet for agenda request

Finance Manager Danny Loch presented.

*Commissioner Higgins abstained from this agenda request and Commissioner O'Day passed the gavel to Higgins.*

Discussion included: Matten expressed that she has several questions regarding the agreement, although she does not require immediate answers to all of them. Among her concerns, she questioned why an extension is being considered for an agreement that was never formally agreed to in the first place. She also inquired whether there are any transmission-related issues with Minnesota Power. Additionally, Matten stated her disapproval of the redlined version of the agreement, emphasizing that the agreement should be presented to BlockMetrix on a clear accept-or-decline basis.

O'Day concurred with Matten's concerns, stating that he is not in favor of any of the suggested changes of the agreement and will not accept it. He suggested that parties should have until five days prior to the next commission meeting to provide a response accepting or rejecting the latest offer.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**September 30, 2025**

**Motion by Commissioner Matten and seconded by Commissioner O'Day to deny all changes presented by BlockMetrix and resubmit original agreement with an accept or deny response by October 22nd 2025, prior to next month's Commission Meeting. There was a unanimous roll call vote in favor of the motion. Motion carried.**

**New Business**

Approve/Award CMAR Contract-Rice Lake Construction

Finance Manager Danny Loch presented request and recommendation of the selection committee who was made up of, Commission President Angland, City Administrator Broyles, Finance Manager Loch, Operations Manager Hawkinson, and Water/Wastewater Manager Gammon.

**Motion by Commissioner Higgins and seconded by Commissioner Matten to accept and proceed with awarding the RFP in accordance with the selection committee's recommendation, Rice Lake Construction, \$8,500, and direct the necessary contract execution to move forward with the project. There was a unanimous vote in favor of the motion. Motion carried.**

Direction Requested on Donation of Paint of Main Lift Buildings -See board packet for agenda request.

Finance Manager Danny Loch presented the request for donating paint from a Rotarian.

**Motion by Commissioner Matten and seconded by Commissioner Higgins to Defer Decision to pursue a labor quote for October 28, 2025 monthly meeting. There was a unanimous vote in favor of the motion. Motion carried.**

Direction on PILOT Contribution to the City-See board packet for agenda request.

Finance Manager Danny Loch presented request from the City Council for Commission to consider changing the contribution to the City policy. City Council has requested the Commission consider an adjustment to the contribution to be based off electrical gross revenue vs kWh sales. Further that the percentages to be considered are 3% for 2026, 4% in 2027 and 5% in 2028.

Discussion included:

City Administrator Nick Broyles reported that the City Council directed staff to explore Payment in Lieu of Taxes (PILOT) contributions. He has contacted other cities and the City Attorney for information, which is included in the council packet.

Council Liaison Jeff Czczok questioned why the City Council makes the final decision on PILOT if the City Charter indicates the Commission is to revise contributions at the Council's request. Broyles stated the issue involves legal considerations and offered to follow up with the City Attorney. Czczok also asked whether increased utility revenues would go to the City rather than BPU and if upcoming projects might lead to higher customer rates. Broyles responded that the matter is complex and financial resources are limited, noting that operational financial questions fall outside his role.

## BRAINERD PUBLIC UTILITIES COMMISSION MEETING

September 30, 2025

Commissioner Higgins requested written clarification from the City Council and City Attorney on the respective authorities of the Commission and the Council, and asked whether the City has considered the impact of higher PILOT contributions on utility rates and customers. He stated he could not make a motion without these answers.

Commissioner O'Day asked if the projected \$53,000 increase in PILOT for next year is included in the City's levy. Broyles replied that the preliminary levy was set the previous evening and that the PILOT amount and health insurance provider decision remain outstanding, with the final levy to be set December 8, 2025.

**Motion by Commissioner Higgins and seconded by Commissioner Matten to table this discussion until the next Commission meeting, October 28, 2025 to get more information and questions answered from legal.**

Review/Recommend Approval of Revised Billing Representative Job Description-See board packet for agenda request.

Finance Manager Danny Loch, HR Director Kris Schubert presented the request

**Motion by Commissioner Matten and seconded by Commissioner Higgins to recommend to the City Council the approval of the revised Billing Representative Job Description as presented; further, to conduct an internal-only job posting process. There was a unanimous vote in favor of the motion. Motion carried.**

Requesting the issuance and sale by the city of Brainerd, Minnesota of general obligation bonds payable from net revenues of the city's utilities.

**Motion by Commissioner Matten and seconded by Commissioner Higgins to accept the Resolution NO 1, 2025, The Issuance and Sale by the City of Brainerd, Minnesota of General Obligations Bonds Payable from Net Revenues of the City's Utilities in the amount of \$2,000,000. There was a unanimous roll call vote in favor of the motion. Motion carried.**

### Staff Reports

City Administrator Report -see board packet for report.

#### City Council Liaison Report

City Council Liaison Jeff Czczok stated he is looking forward to the employee appreciation upcoming event.

HR Director's Report – see board packet for report.

#### Manager's Reports

Finance Manager's Report – see board packet for report.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**September 30, 2025**

Operations Manager Report - see packet board for report.

Hawkinson requested direction from Commission on cost sharing for the Country Manor project. The original request was \$56,180, but the final total came in at \$44,850. Country Manor is not requesting the 6% overhead (\$2,539), resulting in a total request of \$42,311.

**Motion by Commissioner Higgins moved, seconded by Commissioner Matten, for discussion, to split the costs 50/50 with the City.**

Public Works Director Mike Habighorst outlined several cost-sharing options, including a full City contribution, equal 50/50 splits, adjustments for salvaged gate valves, and allocations based on utility depth (e.g., 2/3 City and 1/3 BPU).

**An amended motion by Higgins and seconded by Matten was made to split the costs 50/50 with consideration of BPU's contributions to the project. The motion passed unanimously by roll call vote.**

**Water/Wastewater Manager Report-** see board packet for report.

Water/Wastewater Manager Charlie Gammon said he has nothing to add from his written report. Matten wanted to note regarding the filtration plant, the amount of iron and manganese removed is fascinating.

**Commission Members – Report**

Commissioner Higgins reported that several meetings have been held to review the current Charter and address operational challenges. He identified issues with cash flow management, expense allocation, revenue and cost-sharing structures, noting that the Charter is outdated and contributes to inefficiencies and financial misalignments. He emphasized the need to modernize the Charter to improve transparency, fairness, and sustainability. Higgins added that BPU has the capacity to sell more water and power, which could increase revenue, and suggested exploring options such as applying PILOT to crypto-related revenue. He stressed the importance of being proactive rather than reactive.

**Adjournment**

**Motion by Commissioner Matten and seconded by Commissioner Higgins to adjourn the meeting there was a unanimous vote in favor of the motion. Motion carried at 09:59 AM.**

\_\_\_\_\_  
Mike England, Commission President

\_\_\_\_\_  
Danny Loch, Finance Manager/Secretary



Brainerd Public Utilities, MN

# Check Report

By Check Number

Date Range: 09/26/2025 - 10/24/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<b>Bank Code: AP2-BREMER BANK</b>						
00140	AEP ENERGY PARTNERS, INC.	10/17/2025	EFT	0.00	1,783,010.77	259
<a href="#">175-21584948</a>	Invoice	10/13/2025	Invoice Period: 09/01/2025-09/30/2025	0.00	1,783,010.77	
07343	Gridiron Generation HoldCo, LLC	10/17/2025	EFT	0.00	77,317.92	260
<a href="#">INV-1159</a>	Invoice	10/13/2025	Invoice Period: 09/01/2025-09/30/2025	0.00	77,317.92	
08811	BNSF RAILWAY COMPANY	09/29/2025	Regular	0.00	13,412.71	84403
<a href="#">25009298</a>	Invoice	09/29/2025	Land Lease - Contract #40545377: 10/01/...	0.00	13,412.71	
06268	Ryan Churchill	09/29/2025	Regular	0.00	640.00	84404
<a href="#">6685823</a>	Invoice	09/29/2025	WEBSITE SUPPORT / TRAINING: 09/2025	0.00	640.00	
00335	AMERICAN WATER WORKS ASSOCIATION	10/08/2025	Regular	0.00	252.00	84405
<a href="#">AQ255221</a>	Invoice	10/08/2025	Membership: C.Gammon-12/01/25-11/30...	0.00	252.00	
00670	BARR ENGINEERING CO	10/08/2025	Regular	0.00	7,863.50	84406
<a href="#">23181016.08-18</a>	Invoice	10/08/2025	BPU Powerhouse Units 4 & 6 Upgrades	0.00	4,831.50	
<a href="#">23181016.09-6</a>	Invoice	10/08/2025	Work Order #9: Support for Hydro Project	0.00	3,032.00	
00778	BLA Clean, LLC.	10/08/2025	Regular	0.00	2,476.00	84407
<a href="#">1418</a>	Invoice	10/08/2025	Cleaning Services: 09/2025	0.00	2,476.00	
05077	BRADLEY KNAPP	10/08/2025	Regular	0.00	20.00	84408
<a href="#">ims4487779</a>	Invoice	10/08/2025	Reimbursement: Boiler License Renewal	0.00	20.00	
10140	Brainerd Lakes Regional Airport	10/08/2025	Regular	0.00	3,993.75	84409
<a href="#">25-0006588</a>	Invoice	10/08/2025	GROUND LEASE: Q4 2025	0.00	3,993.75	
02025	CITY OF BRAINERD	10/08/2025	Regular	0.00	34,490.94	84410
<a href="#">25-0006511</a>	Invoice	10/08/2025	Laserfiche/Baker Tilly/RRM/E. Health/T. A...	0.00	5,666.88	
<a href="#">25-0006600</a>	Invoice	10/08/2025	LTD/FLEX/LEGAL: Q3 2025	0.00	2,160.06	
<a href="#">25-0006601</a>	Invoice	10/08/2025	HR/City Admin Services Fee - Q4 2025	0.00	26,664.00	
03684	GMP Consultants	10/08/2025	Regular	0.00	3,569.55	84411
<a href="#">25-338</a>	Invoice	10/08/2025	Public Utilities Director: Ad Tables/Mailers	0.00	3,569.55	
06181	MESERB	10/08/2025	Regular	0.00	7,869.00	84412
<a href="#">2025-2026 Mem...</a>	Invoice	10/08/2025	2025-2026 Membership Assessment	0.00	7,869.00	
00090	ABM EQUIPMENT & SUPPLY, LLC	10/10/2025	Regular	0.00	49.82	84423
<a href="#">CS0028</a>	Invoice	10/10/2025	PUR SEPT ABM INVOICES	0.00	49.82	
00105	ACE HARDWARE-BRAINERD	10/10/2025	Regular	0.00	86.44	84424
<a href="#">335264</a>	Invoice	10/10/2025	PUR SEPT ACE INVOICES	0.00	28.83	
<a href="#">335308</a>	Invoice	10/10/2025	PUR SEPT ACE INVOICES	0.00	46.08	
<a href="#">335458</a>	Invoice	10/10/2025	PUR SEPT ACE INVOICES	0.00	11.53	
00325	AMERICAN TEST CENTER, INC.	10/10/2025	Regular	0.00	3,915.00	84425
<a href="#">2251960</a>	Invoice	10/10/2025	PUR SEPT AMERICAN TEST CENTER INVOI...	0.00	3,915.00	
00337	AMERICAN WELDING & GAS INC	10/10/2025	Regular	0.00	40.13	84426
<a href="#">0011159973</a>	Invoice	10/10/2025	PUR SEPT AWG INVOICE	0.00	40.13	
00825	BORDER STATES ELECTRIC	10/10/2025	Regular	0.00	299.99	84427
<a href="#">931203071</a>	Invoice	10/10/2025	INV MISC ELECTRIC	0.00	299.99	
00982	BRAINERD HYDRAULIC AIR & INDUSTRIAL SUPP	10/10/2025	Regular	0.00	284.99	84428
<a href="#">36931</a>	Invoice	10/10/2025	PUR SEPT BRD HYDRAULICS INVOICE	0.00	284.99	

Check Report

Date Range: 09/26/2025 - 10/24/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
02790	DAKOTA SUPPLY GROUP	10/10/2025	Regular	0.00	1,222.00	84429
<a href="#">S104992069.003</a>	Invoice	10/10/2025	PUR FUSIBLE POLY	0.00	949.46	
<a href="#">S105032077.001</a>	Invoice	10/10/2025	PUR COR-BLUE MJ T-BOLTS	0.00	272.54	
03282	FERGUSON WATERWORKS #2518	10/10/2025	Regular	0.00	296.60	84430
<a href="#">0546791-2</a>	Invoice	10/10/2025	INV WATER COUPLERS	0.00	110.22	
<a href="#">0554122</a>	Invoice	10/10/2025	P25-4616 - 30 Rise Screw - to be credited	0.00	192.38	
<a href="#">0555371</a>	Invoice	10/10/2025	INV WC0130	0.00	186.38	
<a href="#">CM042174</a>	Credit Memo	10/10/2025	Credit: P25-4616 - OI: 0554122	0.00	-192.38	
03536	Fobbe Contracting, Inc.	10/10/2025	Regular	0.00	8,595.00	84431
<a href="#">7641</a>	Invoice	10/10/2025	PUR SEPT FOBBE INVOICE	0.00	8,595.00	
04613	JACO ANALYTICAL, INC.	10/10/2025	Regular	0.00	234.00	84432
<a href="#">40E90766</a>	Invoice	10/10/2025	PUR JACO SUBSTATION TESTING	0.00	234.00	
06085	Minger Construction Companies, Inc	10/10/2025	Regular	0.00	15,000.00	84433
<a href="#">09/18/25 - PYMT...</a>	Invoice	10/10/2025	Forcemain River Crossing: Pymt # 9 - FINAL	0.00	15,000.00	
06266	MINNESOTA VALLEY TESTING LABS	10/10/2025	Regular	0.00	1,098.83	84434
<a href="#">1324200</a>	Invoice	10/10/2025	PUR SEPT MVTL INVOICES 02	0.00	505.50	
<a href="#">1324201</a>	Invoice	10/10/2025	PUR SEPT MVTL INVOICES 02	0.00	372.50	
<a href="#">1324209</a>	Invoice	10/10/2025	PUR SEPT MVTL INVOICES 02	0.00	117.00	
<a href="#">1325481</a>	Invoice	10/10/2025	PUR SEPT MVTL INVOICES 02	0.00	117.00	
<a href="#">900322301</a>	Credit Memo	10/10/2025	90032301: Credit from check 84383 / Acc...	0.00	-13.17	
09200	TEREX GLOBAL GMBH	10/10/2025	Regular	0.00	793.05	84435
<a href="#">5006067411</a>	Invoice	10/10/2025	PUR TEREX MULTI PART LINE ASSY	0.00	793.05	
09202	Terex USA, LLC	10/10/2025	Regular	0.00	4,183.36	84436
<a href="#">7585835</a>	Invoice	10/10/2025	PUR SEPT TEREX INVOICE	0.00	4,183.36	
09899	WESCO RECEIVABLES CORP	10/10/2025	Regular	0.00	14,708.31	84437
<a href="#">597276</a>	Invoice	10/10/2025	PUR FR SUMMER GLOVES	0.00	835.55	
<a href="#">605484</a>	Invoice	10/10/2025	INV M0975	0.00	8,287.68	
<a href="#">608630</a>	Invoice	10/10/2025	PUR HASTINGS 21056 SUBSTATION CLAMP	0.00	5,585.08	
09996	ZIEGLER INC.	10/10/2025	Regular	0.00	3,903.91	84438
<a href="#">IN002076341</a>	Invoice	10/10/2025	PUR SEPT ZIEGLER EXCAVATOR RENTAL	0.00	3,177.00	
<a href="#">SI000696060</a>	Invoice	10/10/2025	PUR SEPT ZIEGLER INVOICE	0.00	726.91	
10188	ALPENGLOW TECHNOLOGIES, LLC	10/13/2025	Regular	0.00	400.00	84439
<a href="#">11951</a>	Invoice	10/13/2025	Monthly IT Billing: 10/2025	0.00	400.00	
00820	BOLTON & MENK, INC.	10/13/2025	Regular	0.00	27,096.00	84440
<a href="#">0375914</a>	Invoice	10/13/2025	WWTF Improvements: 2025 Facility Plan	0.00	21,606.50	
<a href="#">0375915</a>	Invoice	10/13/2025	Water Treatment Improvements: Funding	0.00	1,085.00	
<a href="#">0375917</a>	Invoice	10/13/2025	WTP Filter Backwash Reclaim: CMAR Mgmt	0.00	4,404.50	
03635	CHARLES GAMMON	10/13/2025	Regular	0.00	40.00	84441
<a href="#">10/06/2025 Reimbu...</a>	Invoice	10/13/2025	Reimbursement: MWOA Conference - Reg...	0.00	40.00	
01890	CHARTER COMMUNICATIONS	10/13/2025	Regular	0.00	1,288.43	84442
<a href="#">175590201100125</a>	Invoice	10/13/2025	TV SERVICE: 10/2025	0.00	39.43	
<a href="#">237487601100125</a>	Invoice	10/13/2025	Fiber Internet 500Mbps	0.00	1,249.00	
02820	DELL MARKETING L.P.	10/13/2025	Regular	0.00	1,558.83	84443
<a href="#">10839552410</a>	Invoice	10/13/2025	New PC's: Training / Op. Mgr	0.00	1,558.83	
03695	GOPHER STATE ONE-CALL	10/13/2025	Regular	0.00	236.25	84444
<a href="#">5090112</a>	Invoice	10/13/2025	GSOC TICKETS: 09/2025	0.00	236.25	
03090	JASON L. ENGHOLM	10/13/2025	Regular	0.00	42.24	84445
<a href="#">10/02/25 Reimbu...</a>	Invoice	10/13/2025	Reimburse: Meal	0.00	16.80	

Check Report

Date Range: 09/26/2025 - 10/24/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<a href="#">10/06/25 Reimbu...</a>	Invoice	10/13/2025	Reimburse: Meal	0.00	25.44	
03678	Kyle Glass	10/13/2025	Regular	0.00	98.50	84446
<a href="#">10/06/2025 Boots</a>	Invoice	10/13/2025	Reimburse Safety Boots @ 50%	0.00	98.50	
05415	LANDIS-GYR TECHNOLOGY, INC/FKA CELLNET	10/13/2025	Regular	0.00	1,995.00	84447
<a href="#">90419353</a>	Invoice	10/13/2025	MONTHLY ENDPOINT FEE: 09/2025	0.00	1,995.00	
06190	MINNESOTA MUNICIPAL UTILITIES ASSOCIATION	10/13/2025	Regular	0.00	9,106.50	84448
<a href="#">67127</a>	Invoice	10/13/2025	SAFETY MGMT PROGRAM: Q4 2025	0.00	9,106.50	
07143	NORTHLAND FIRE PROTECTION	10/13/2025	Regular	0.00	1,685.00	84450
<a href="#">65304</a>	Invoice	10/13/2025	SERVICE & RECERT OF CO2 SYSTEM: Servic...	0.00	1,685.00	
07335	OFFICE SHOP	10/13/2025	Regular	0.00	94.58	84451
<a href="#">1158511-0</a>	Invoice	10/13/2025	Office Supplies	0.00	28.40	
<a href="#">1158511-1</a>	Invoice	10/13/2025	Office Supplies	0.00	16.17	
<a href="#">1158681-0</a>	Invoice	10/13/2025	Office Supplies: Label Tape	0.00	50.01	
07339	ONLINE INFORMATION SERVICES, INC.	10/13/2025	Regular	0.00	245.68	84452
<a href="#">1348631</a>	Invoice	10/13/2025	ONLINE UTILITY EXCHANGE REPORT: 09/2...	0.00	245.68	
07682	PLUNKETT'S PEST CONTROL	10/13/2025	Regular	0.00	1,331.17	84453
<a href="#">10154681</a>	Invoice	10/13/2025	TREATMENT FOR FALL INVADERS	0.00	300.00	
<a href="#">10163500</a>	Invoice	10/13/2025	General Pest Control: Service Ctr 10/2025-...	0.00	1,031.17	
08753	Solarwinds North America, Inc.	10/13/2025	Regular	0.00	5,316.18	84454
<a href="#">IN716308</a>	Invoice	10/13/2025	Subscription/License: 10/01/25-09/30/26	0.00	5,316.18	
08789	Spencer Fane LP	10/13/2025	Regular	0.00	4,532.00	84455
<a href="#">1448291</a>	Invoice	10/13/2025	Legal Fees: 09/2025	0.00	4,532.00	
08805	STAR ENERGY SERVICES, LLC	10/13/2025	Regular	0.00	188.00	84456
<a href="#">25367</a>	Invoice	10/13/2025	NOVA Power Portal: My Neighbor to Love...	0.00	188.00	
03686	Tel Gold LLC	10/13/2025	Regular	0.00	530.00	84457
<a href="#">251006777101</a>	Invoice	10/13/2025	Answering Service: 09/2025	0.00	530.00	
00785	TROY J BLOCK	10/13/2025	Regular	0.00	77.50	84458
<a href="#">07/12/2025 Boots</a>	Invoice	10/13/2025	Reimburse Safety Boots @ 50%	0.00	77.50	
09524	TYLER TECHNOLOGIES INC.	10/13/2025	Regular	0.00	17,654.62	84459
<a href="#">025-528621</a>	Invoice	10/13/2025	Annual Fees: Smart Mtr Access / Custom B..	0.00	2,008.52	
<a href="#">025-529715</a>	Invoice	10/13/2025	Tyler Tutoring: 09/17/2025 - Utility Billing	0.00	320.00	
<a href="#">025-530278</a>	Invoice	10/13/2025	INSITE TRANSACTION FEES: Q3 2025	0.00	15,270.00	
<a href="#">025-530825</a>	Invoice	10/13/2025	INCODE SMART METER SMS: Q3 2025	0.00	56.10	
09728	WASTE PARTNERS	10/13/2025	Regular	0.00	1,610.45	84460
<a href="#">59X01464</a>	Invoice	10/13/2025	TRASH/RECYCLING SERVICE: ACCT#242053	0.00	1,610.45	
09735	WATER CONSERVATION SERVICE, INC.	10/13/2025	Regular	0.00	1,098.60	84461
<a href="#">150231</a>	Invoice	10/13/2025	Water Leak Locate: Washington & Chippe...	0.00	1,098.60	
09948	WIDSETH SMITH NOLTING & ASSOC., INC	10/13/2025	Regular	0.00	100.00	84463
<a href="#">240879</a>	Invoice	10/13/2025	Forcemain River Crossing:Turf Restoration...	0.00	100.00	
05348	Aaron Wiese	10/22/2025	Regular	0.00	239.95	84464
<a href="#">34953</a>	Invoice	10/21/2025	PUR SEPT LAMS INVOICE	0.00	122.65	
<a href="#">34954</a>	Invoice	10/22/2025	PUR OCT LAMS INVOICES	0.00	117.30	
02785	DACOTAH PAPER CO	10/22/2025	Regular	0.00	364.23	84465
<a href="#">29305</a>	Invoice	10/22/2025	PUR SEPT DACOTAH INVOICE	0.00	160.67	
<a href="#">36406</a>	Invoice	10/22/2025	DISB OCT DACOTAH INVOICE	0.00	203.56	
02990	EDM INTERNATIONAL, INC.	10/22/2025	Regular	0.00	290.00	84466

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Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<a href="#">90038</a>	Invoice	10/22/2025	PUR EDM PHASE TRACKER INVOICE	0.00	290.00	
03699	GRAINGER	10/22/2025	Regular	0.00	418.11	84467
<a href="#">9643740807</a>	Invoice	10/22/2025	PUR SEPT GRAINGER INVOICES	0.00	95.60	
<a href="#">9645475279</a>	Invoice	10/22/2025	PUR SEPT GRAINGER INVOICES	0.00	17.18	
<a href="#">9645500241</a>	Invoice	10/22/2025	PUR SEPT GRAINGER INVOICES	0.00	200.35	
<a href="#">9647808139</a>	Invoice	10/22/2025	PUR SEPT GRAINGER INVOICES	0.00	77.71	
<a href="#">9655291491</a>	Invoice	10/22/2025	PUR SEPT GRAINGER INVOICES	0.00	27.27	
04050	HAWKINS INC.	10/22/2025	Regular	0.00	6,005.41	84468
<a href="#">7207600</a>	Invoice	10/22/2025	PUR SEPT HAWKINS INVOICE	0.00	6,005.41	
10006	In Control, Inc.	10/22/2025	Regular	0.00	57,639.13	84469
<a href="#">S-INV02902</a>	Invoice	10/22/2025	PUR SCADA PROJECTS	0.00	34,789.13	
<a href="#">S-INV03008</a>	Invoice	10/22/2025	PUR SCADA PROJECTS	0.00	22,850.00	
05080	KNIFE RIVER CORPORATION	10/22/2025	Regular	0.00	213.59	84470
<a href="#">1141000</a>	Invoice	10/22/2025	PUR SEPT KNIFE RIVER INVOICES	0.00	213.59	
05976	MIDWEST MACHINERY CO.	10/22/2025	Regular	0.00	39.99	84471
<a href="#">10663844</a>	Invoice	10/22/2025	PUR MIDWEST MACHINERY INVOICE	0.00	39.99	
06266	MINNESOTA VALLEY TESTING LABS	10/22/2025	Regular	0.00	995.00	84472
<a href="#">1326440</a>	Invoice	10/22/2025	PUR OCT MVTL INVOICES	0.00	372.50	
<a href="#">1326800</a>	Invoice	10/22/2025	PUR OCT MVTL INVOICES	0.00	505.50	
<a href="#">1328647</a>	Invoice	10/22/2025	PUR OCT MVTL INVOICES	0.00	117.00	
06790	NAPA AUTO PARTS BAXTER	10/22/2025	Regular	0.00	653.17	84473
<a href="#">842735</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	26.31	
<a href="#">842915</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	132.62	
<a href="#">842920</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	74.44	
<a href="#">843124</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	23.89	
<a href="#">844818</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	80.95	
<a href="#">844916</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	12.90	
<a href="#">844918</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	16.90	
<a href="#">845462</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	5.18	
<a href="#">846329</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	9.39	
<a href="#">846337</a>	Invoice	10/22/2025	PUR SEPT NAPA INVOICES 02	0.00	69.00	
<a href="#">846747</a>	Invoice	10/22/2025	PUR OCT NAPA INVOICES	0.00	201.59	
08058	RESCO	10/22/2025	Regular	0.00	350.66	84474
<a href="#">07/01/25-Statem...</a>	Credit Memo	08/07/2025	Credit on 07/01/2025 Statement	0.00	-10.13	
<a href="#">3091140</a>	Invoice	10/22/2025	PUR KLEIN PLIERS AND SL-5	0.00	360.79	
10087	RICE LAKE CONSTRUCTION GROUP	10/22/2025	Regular	0.00	78,452.00	84475
<a href="#">2519-1</a>	Invoice	10/22/2025	PUR EVERGREEN LIFT FORCE MAIN VALVE	0.00	78,452.00	
08430	SHORT ELLIOT HENDRICKSON, INC	10/22/2025	Regular	0.00	266.31	84476
<a href="#">496081</a>	Invoice	10/22/2025	PUR HYDRAULIC WATER MODEL ADVANT...	0.00	266.31	
08895	STUART C. IRBY CO	10/22/2025	Regular	0.00	70.00	84477
<a href="#">S014367438.001</a>	Invoice	10/22/2025	PUR WALL MOUNT SPACERS	0.00	70.00	
10040	TEST-RIGHT, LLC	10/22/2025	Regular	0.00	851.00	84478
<a href="#">1382</a>	Invoice	10/22/2025	PUR FALL GLOVE TESTING	0.00	851.00	
09330	TIM THOMPSON PLUMBING, LLC	10/22/2025	Regular	0.00	431.50	84479
<a href="#">570</a>	Invoice	10/22/2025	PUR TIM THOMPSON INVOICE	0.00	431.50	
00340	Vestis Group, Inc.	10/22/2025	Regular	0.00	210.40	84480
<a href="#">2530445692</a>	Invoice	10/22/2025	PUR SEPT VESTIS INVOICES	0.00	37.61	
<a href="#">2530448289</a>	Invoice	10/22/2025	PUR SEPT VESTIS INVOICES	0.00	34.32	
<a href="#">2530450840</a>	Invoice	10/22/2025	PUR SEPT VESTIS INVOICES	0.00	33.81	
<a href="#">2530453371</a>	Invoice	10/22/2025	PUR SEPT VESTIS INVOICES	0.00	33.81	

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<a href="#">2530455927</a>	Invoice	10/22/2025	PUR OCT VESTIS INVOICES	0.00	33.81	
<a href="#">2530458493</a>	Invoice	10/22/2025	PUR OCT VESTIS INVOICES	0.00	37.04	
09663	VIKING ELECTRIC SUPPLY, INC	10/22/2025	Regular	0.00	2,523.66	84481
<a href="#">S009521864.001</a>	Invoice	10/22/2025	PUR SEPT VIKING INVOICES	0.00	519.61	
<a href="#">S009521864.002</a>	Invoice	10/22/2025	PUR SEPT VIKING INVOICES	0.00	8.86	
<a href="#">S009525170.001</a>	Invoice	10/22/2025	PUR SEPT VIKING INVOICES	0.00	9.00	
<a href="#">S009556262.001</a>	Invoice	10/22/2025	PUR SEPT VIKING INVOICES	0.00	173.19	
<a href="#">S009557200.001</a>	Invoice	10/22/2025	PUR SEPT VIKING INVOICES	0.00	41.57	
<a href="#">S009573914.001</a>	Invoice	10/22/2025	PUR SEPT VIKING INVOICES	0.00	249.55	
<a href="#">S009573914.002</a>	Invoice	10/22/2025	PUR SEPT VIKING INVOICES	0.00	381.32	
<a href="#">S009573914.003</a>	Credit Memo	10/22/2025	OS: S009573914.001 - Credit	0.00	-182.57	
<a href="#">S009578408.001</a>	Invoice	10/22/2025	PUR SEPT VIKING INVOICES	0.00	202.56	
<a href="#">S009582059.001</a>	Credit Memo	10/22/2025	OS: S009573914.001 - Credit	0.00	-33.34	
<a href="#">S009596698.001</a>	Invoice	10/22/2025	PUR SEPT VIKING INVOICES	0.00	53.35	
<a href="#">S009624418.001</a>	Invoice	10/22/2025	PUR OCT VIKING INVOICES	0.00	858.39	
<a href="#">S009648385.001</a>	Invoice	10/22/2025	PUR OCT VIKING INVOICES	0.00	242.17	
09265	W.W. THOMPSON CONCRETE PRODUCTS	10/22/2025	Regular	0.00	29.88	84482
<a href="#">2510-801965</a>	Invoice	10/22/2025	PUR OCT INVOICE	0.00	29.88	
09899	WESCO RECEIVABLES CORP	10/22/2025	Regular	0.00	123,567.00	84483
<a href="#">614586</a>	Invoice	10/22/2025	INV EU0860 35KV VFI	0.00	123,567.00	
09997	Zoro	10/22/2025	Regular	0.00	1,738.53	84484
<a href="#">INV17136607</a>	Invoice	10/22/2025	PUR SEPT ZORO INVOICES	0.00	55.16	
<a href="#">INV17202699</a>	Invoice	10/22/2025	PUR SEPT ZORO INVOICES	0.00	80.38	
<a href="#">INV17258914</a>	Invoice	10/22/2025	PUR CENTRAL SHIP CROSS OVER LADDER	0.00	1,602.99	
00075	A W RESEARCH	10/23/2025	Regular	0.00	4,836.80	84494
<a href="#">74378</a>	Invoice	10/23/2025	PUR SEPT AW INVOICES	0.00	980.00	
<a href="#">74380</a>	Invoice	10/23/2025	PUR SEPT AW INVOICES	0.00	3,856.80	
00105	ACE HARDWARE-BRAINERD	10/23/2025	Regular	0.00	178.89	84495
<a href="#">335615</a>	Invoice	10/23/2025	PUR OCT ACE INVOICES	0.00	16.34	
<a href="#">335675</a>	Invoice	10/23/2025	PUR OCT ACE INVOICES	0.00	71.26	
<a href="#">335892</a>	Invoice	10/23/2025	PUR OCT ACE INVOICES	0.00	21.12	
<a href="#">335905</a>	Invoice	10/23/2025	PUR OCT ACE INVOICES	0.00	70.17	
00250	AMARIL UNIFORM COMPANY	10/23/2025	Regular	0.00	9,702.92	84496
<a href="#">IV284064</a>	Invoice	10/23/2025	PUR SEPT AMARIL INVOICES	0.00	6,342.42	
<a href="#">IV284303</a>	Invoice	10/23/2025	PUR SEPT AMARIL INVOICES	0.00	514.17	
<a href="#">IV285648</a>	Invoice	10/23/2025	PUR OCT AMARIL INVOICES	0.00	812.59	
<a href="#">IV285754</a>	Invoice	10/23/2025	PUR OCT AMARIL INVOICES	0.00	1,917.61	
<a href="#">IV285859</a>	Invoice	10/23/2025	PUR OCT AMARIL INVOICES	0.00	116.13	
00315	AMERICAN STEEL INC	10/23/2025	Regular	0.00	46.80	84497
<a href="#">127665</a>	Invoice	10/23/2025	PUR OCT AMERICAN STEEL INVOICES	0.00	46.80	
00735	Best Oil, LLC	10/23/2025	Regular	0.00	8,847.13	84498
<a href="#">12464</a>	Invoice	10/23/2025	PUR SEPT BEST OIL INVOICES	0.00	354.00	
<a href="#">12465</a>	Invoice	10/23/2025	PUR SEPT BEST OIL INVOICES	0.00	662.20	
<a href="#">12495</a>	Invoice	10/23/2025	PUR SEPT BEST OIL INVOICES	0.00	777.82	
<a href="#">12581</a>	Invoice	10/23/2025	PUR SEPT BEST OIL INVOICES	0.00	704.00	
<a href="#">12582</a>	Invoice	10/23/2025	PUR SEPT BEST OIL INVOICES	0.00	740.00	
<a href="#">12683</a>	Invoice	10/23/2025	PUR OCT BEST OIL INVOICES	0.00	700.00	
<a href="#">12684</a>	Invoice	10/23/2025	PUR OCT BEST OIL INVOICES	0.00	553.56	
<a href="#">12803</a>	Invoice	10/23/2025	PUR OCT BEST OIL INVOICES	0.00	1,688.10	
<a href="#">12804</a>	Invoice	10/23/2025	PUR OCT BEST OIL INVOICES	0.00	618.70	
<a href="#">42499</a>	Invoice	10/23/2025	PUR OCT BEST OIL INVOICES	0.00	1,309.00	
<a href="#">42500</a>	Invoice	10/23/2025	PUR OCT BEST OIL INVOICES	0.00	739.75	
00825	BORDER STATES ELECTRIC	10/23/2025	Regular	0.00	2,385.02	84500

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<a href="#">931203048</a>	Invoice	10/23/2025	PUR ARC FLASH AND LOW VOLTAGE GLOV...	0.00	269.55	
<a href="#">931222319</a>	Invoice	10/23/2025	PUR SPLINE	0.00	125.68	
<a href="#">931316091</a>	Invoice	10/23/2025	PUR 1 1/2" FLEXIBLE CONDUIT	0.00	1,167.40	
<a href="#">931332925</a>	Invoice	10/23/2025	INV MISC ELECTRIC	0.00	177.40	
<a href="#">931332929</a>	Invoice	10/23/2025	PUR ARC FLASH AND LOW VOLTAGE GLOV...	0.00	284.04	
<a href="#">931340989</a>	Invoice	10/23/2025	PUR ELEC SPRING LOC	0.00	360.95	
02556	CORE & MAIN LP	10/23/2025	Regular	0.00	3,407.65	84501
<a href="#">X838656</a>	Invoice	10/23/2025	INV WM0260	0.00	3,407.65	
02790	DAKOTA SUPPLY GROUP	10/23/2025	Regular	0.00	107.62	84502
<a href="#">S105100706.001</a>	Invoice	10/23/2025	INV WI0810 CONNECTORS	0.00	107.62	
03183	Excel Engineering, Inc.	10/23/2025	Regular	0.00	1,575.00	84503
<a href="#">00055863</a>	Invoice	10/23/2025	PUR EXCEL ENGINEERING TRAINING	0.00	1,575.00	
03275	FASTENAL COMPANY	10/23/2025	Regular	0.00	17.15	84504
<a href="#">MNBAX275557</a>	Invoice	10/23/2025	PUR SEPT FASTENAL INVOICE	0.00	17.15	
06431	MOMENTUM TRUCK GROUP	10/23/2025	Regular	0.00	853.34	84505
<a href="#">X500018153-01</a>	Invoice	10/23/2025	PUR AUG MOMENTUM INVOICE	0.00	853.34	
09899	WESCO RECEIVABLES CORP	10/23/2025	Regular	0.00	1,798.84	84506
<a href="#">619255</a>	Invoice	10/23/2025	PUR SALCOR PIN INSULATOR HOODS	0.00	1,798.84	
00133	AGC NETWORKS, LLC	10/24/2025	Regular	0.00	3,883.50	84507
<a href="#">9000028065</a>	Invoice	10/24/2025	Avaya Maint: 10/01/25-09/30/2026	0.00	3,883.50	
00300	AMERICAN PUBLIC POWER ASSOCIATION	10/24/2025	Regular	0.00	12,566.41	84508
<a href="#">000216426</a>	Invoice	10/24/2025	Utility Membership: 12/01/25-11/30/26	0.00	12,566.41	
00735	Best Oil, LLC	10/24/2025	Regular	0.00	607.36	84509
<a href="#">42353</a>	Invoice	10/24/2025	PUR OCT BEST OIL INVOICES	0.00	607.36	
01805	CENTERPOINT ENERGY	10/24/2025	Regular	0.00	225.27	84510
<a href="#">8000014432-1-10...</a>	Invoice	10/24/2025	MONTHLY GAS BILL - WTR PROD/WTR DIS...	0.00	225.27	
01837	CENTURYLINK	10/24/2025	Regular	0.00	490.16	84511
<a href="#">333931378-10/0...</a>	Invoice	10/24/2025	MONTHLY PHONE BILL: 10/2025	0.00	490.16	
02820	DELL MARKETING L.P.	10/24/2025	Regular	0.00	137.53	84512
<a href="#">10841722892</a>	Invoice	10/24/2025	VESA Mount Brackets	0.00	106.47	
<a href="#">10842681436</a>	Invoice	10/24/2025	AC Adapter	0.00	31.06	
09192	Dycom Industries, Inc.	10/24/2025	Regular	0.00	7,500.00	84513
<a href="#">50004623</a>	Invoice	10/24/2025	PUR TELCOM HOLTON AVE WATER	0.00	7,500.00	
03557	FRONTIER ENERGY, INC.	10/24/2025	Regular	0.00	13,729.04	84514
<a href="#">198679</a>	Invoice	10/24/2025	CIP SERVICES - 09/01/25-09/30/25	0.00	13,729.04	
03699	GRAINGER	10/24/2025	Regular	0.00	46.25	84515
<a href="#">9665121183</a>	Invoice	10/24/2025	PUR OCT GRAINGER INVOICES	0.00	24.82	
<a href="#">9666402202</a>	Invoice	10/24/2025	PUR OCT GRAINGER INVOICES	0.00	18.94	
<a href="#">9667964226</a>	Credit Memo	10/24/2025	Credit: Guide Bar	0.00	-24.82	
<a href="#">9670625723</a>	Invoice	10/24/2025	PUR OCT GRAINGER INVOICES	0.00	27.31	
04050	HAWKINS INC.	10/24/2025	Regular	0.00	5,458.79	84516
<a href="#">7223388</a>	Invoice	10/24/2025	PUR OCT HAWKINS INVOICES	0.00	5,448.79	
<a href="#">7225654</a>	Invoice	10/24/2025	PUR OCT HAWKINS INVOICES	0.00	10.00	
09540	HD SUPPLY, INC.	10/24/2025	Regular	0.00	1,383.83	84517
<a href="#">INV00855909</a>	Invoice	10/24/2025	PUR 2025 ADDITIONAL HACH SUPPLIES	0.00	1,383.83	
10006	In Control, Inc.	10/24/2025	Regular	0.00	149.00	84518
<a href="#">S-INV02804</a>	Invoice	10/24/2025	PUR IN CONTROL INVOICE	0.00	149.00	

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04555	INTEGRATED PROTECTION SYSTEMS, INC.	10/24/2025	Regular	0.00	16,913.82	84519
<a href="#">86670</a>	Invoice	10/24/2025	Job # 37555: 4 Door Access Add	0.00	6,439.46	
<a href="#">86671</a>	Invoice	10/24/2025	Job # 37552: 2 Access Door Adds	0.00	5,237.18	
<a href="#">86675</a>	Invoice	10/24/2025	Job # 37551: 2 Door Access Add	0.00	5,237.18	
04580	IP NETWORKS, INC.	10/24/2025	Regular	0.00	2,520.00	84520
<a href="#">20258584</a>	Invoice	10/24/2025	Fortinet Transceiver Modules	0.00	2,520.00	
06190	MINNESOTA MUNICIPAL UTILITIES ASSOCIATION	10/24/2025	Regular	0.00	50.00	84521
<a href="#">67270</a>	Invoice	10/24/2025	Pre-Employment Testing: J. Engebretson	0.00	50.00	
06268	Ryan Churchill	10/24/2025	Regular	0.00	640.00	84523
<a href="#">6685828</a>	Invoice	10/24/2025	WEBSITE SUPPORT / TRAINING: 10/2025	0.00	640.00	
00340	Vestis Group, Inc.	10/24/2025	Regular	0.00	33.81	84524
<a href="#">2530461011</a>	Invoice	10/24/2025	PUR OCT VESTIS INVOICE	0.00	33.81	
01191	BREMER BANK - CC	09/30/2025	Bank Draft	0.00	9,767.55	DFT0001856
<a href="#">08/31/2025 CC S...</a>	Invoice	09/30/2025	CC Statement: 08/31/2025	0.00	9,767.55	
07640	PITNEY BOWES, INC.	09/30/2025	Bank Draft	0.00	3,500.00	DFT0001857
<a href="#">09/30/2025-Post...</a>	Invoice	09/30/2025	POSTAGE REFILL	0.00	3,500.00	
07715	U.S. POSTAL SERVICE	09/30/2025	Bank Draft	0.00	12.63	DFT0001858
<a href="#">673328188</a>	Invoice	09/30/2025	Additional Postage Due - Bulk Mail	0.00	12.63	
00472	AT&T MOBILITY	10/13/2025	Bank Draft	0.00	1,922.22	DFT0001867
<a href="#">287302792515X...</a>	Invoice	10/13/2025	AT & T MONTHLY BILL: 09/2025	0.00	1,922.22	
01805	CENTERPOINT ENERGY	10/13/2025	Bank Draft	0.00	18.25	DFT0001868
<a href="#">11582840-2-09/1...</a>	Invoice	10/13/2025	1602 E RIVER RD	0.00	18.25	
01805	CENTERPOINT ENERGY	10/13/2025	Bank Draft	0.00	19.40	DFT0001869
<a href="#">11595232-7-09/1...</a>	Invoice	10/13/2025	50 JENNY STREET	0.00	19.40	
02717	CULLIGAN	10/13/2025	Bank Draft	0.00	100.65	DFT0001870
<a href="#">150-01059575-2-...</a>	Invoice	10/13/2025	150-01059575-2 Service Center	0.00	100.65	
02717	CULLIGAN	10/13/2025	Bank Draft	0.00	50.08	DFT0001871
<a href="#">150-10024107-7-...</a>	Invoice	10/13/2025	150-10024107-7 Hydro	0.00	50.08	
03682	Global Payments Direct, Inc.	10/13/2025	Bank Draft	0.00	63,943.17	DFT0001872
<a href="#">10/01/2025 - CC ...</a>	Invoice	10/13/2025	CREDIT CARD FEES: 09/2025	0.00	63,943.17	
09925	WEX HEALTH, INC	10/13/2025	Bank Draft	0.00	23.00	DFT0001875
<a href="#">0002248263-IN</a>	Invoice	10/13/2025	MONTHLY COBRA BILLING: 09/2025	0.00	23.00	
07715	U.S. POSTAL SERVICE	10/13/2025	Bank Draft	0.00	9.09	DFT0001876
<a href="#">673569079</a>	Invoice	10/13/2025	Additional Postage Due - Bulk Mail	0.00	9.09	
00472	AT&T MOBILITY	10/24/2025	Bank Draft	0.00	373.38	DFT0001885
<a href="#">287260682523X...</a>	Invoice	10/24/2025	AT & T MONTHLY BILL: 09/2025	0.00	373.38	
01655	CANON FINANCIAL SERVICES, INC	10/24/2025	Bank Draft	0.00	107.85	DFT0001886
<a href="#">42021750</a>	Invoice	10/24/2025	Canon Invoice - Contract Charge: Bill Print...	0.00	107.85	
07640	PITNEY BOWES, INC.	10/24/2025	Bank Draft	0.00	3,500.00	DFT0001888
<a href="#">10/14/2025-Post...</a>	Invoice	10/24/2025	POSTAGE REFILL	0.00	3,500.00	
07715	U.S. POSTAL SERVICE	10/24/2025	Bank Draft	0.00	4.04	DFT0001889
<a href="#">674631007</a>	Invoice	10/24/2025	Additional Postage Due - Bulk Mail	0.00	4.04	
07715	U.S. POSTAL SERVICE	10/24/2025	Bank Draft	0.00	4.55	DFT0001890
<a href="#">675175370</a>	Invoice	10/24/2025	Additional Postage Due - Bulk Mail	0.00	4.55	
09961	XCEL ENERGY	10/24/2025	Bank Draft	0.00	1,208.64	DFT0001891

Check Report

Date Range: 09/26/2025 - 10/24/2025

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<a href="#">947796211</a>	Invoice	10/24/2025	Xcel Energy - Service Center/WWT	0.00	1,208.64	

Bank Code AP2 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	194	99	0.00	581,065.86
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	17	17	0.00	84,564.50
EFT's	2	2	0.00	1,860,328.69
	<b>213</b>	<b>118</b>	<b>0.00</b>	<b>2,525,959.05</b>

### All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	194	99	0.00	581,065.86
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	17	17	0.00	84,564.50
EFT's	2	2	0.00	1,860,328.69
	<b>213</b>	<b>118</b>	<b>0.00</b>	<b>2,525,959.05</b>

### Fund Summary

Fund	Name	Period	Amount
9	POOLED CASH CONTROL	9/2025	27,332.89
9	POOLED CASH CONTROL	10/2025	2,498,626.16
			<b>2,525,959.05</b>

**Brainerd Public Utilities  
BPU Commission Unfinished Business  
October 28, 2025**

A. Crypto Mining Activity (7/1/22)

Following the discussion at the last meeting, staff provided the outlined items to BlockMetrix, from July, as proposed by the motion made at the September Commission meeting. A response was requested by October 22; BlockMetrix provided a response noting they were unable to proceed under the suggested terms and conditions as it would be commercially unviable.

B. ClimaVision (June 2024)

Follow-up from the June 2024 presentation remains ongoing. Staff continue to work with ClimaVision to provide the necessary drawings and resources for installation of the weather radar. ClimaVision's structural engineers conducted a site visit and confirmed the location meets all requirements.

The next step is finalizing the lease agreement, which will be needed 60 days prior to site build-out. Staff reviewed the draft lease with the Finance/Operations Committee on February 14, 2025, and submitted it to Attorney Langel for review on March 4, 2025. Staff, Attorney Langel, and KLM Engineering are refining contract language.

In parallel, staff are coordinating with the State of Minnesota to secure an access easement for ClimaVision's equipment. Discussions with the State and Attorney Langel have been positive. ClimaVision will provide a site map for the easement, and final state approval has been received to move forward with the project and a construction easement has been prepared.

Language revisions from Attorney Langel were reviewed and accepted by ClimaVision. The final draft is back with Attorney Langel for approval, with a few follow-up questions being addressed by both staff and ClimaVision. All parties remain in agreement and continue progressing toward installation.

C. Hydro Generation (1/31/23)

Barr Engineering and staff continue work on procuring a replacement generator for the hydro facility. Barr recently confirmed through multiple suppliers that the previously identified submersible generator models are no longer in production or have been paused. These models were initially considered the most economical option for the utility.

Staff are coordinating with Marty Siefert on updates to the project's funding bill, and a tentative site visit by state Senators and Representatives is scheduled for November 25. Barr is now evaluating alternative generation options and the associated civil work and installation costs.

While formal estimates have not yet been provided, preliminary indications suggest project costs may increase from the original \$750,000 to approximately \$1.0–\$1.2 million. Lead time for the selected generator is expected to exceed one year.

D. Rewrite of Brainerd City Code Section 705 – Water System (6/27/23)

The process of rewriting Section 705 has begun and continues to be in process. This was identified at the July Commission meeting and continues. Community Development Director Kramvik has received and provided updated changes from all staff and formatting to City code and is under final staff review prior to being sent to legal review. Staff reviewing changes made by Kramvik, once reviewed and agreed upon will be sent to Langel. With construction season and the water main breaks staff have found it challenging to get all necessary edits to Langel for review. Staff have this on the docket for after the completion of the construction season.

E. Development of Plan to be Carbon Free by 2040 (10/31/23)

BPU is subject to the State's Renewable Energy Standard (RES). The RES will require BPU to either generate or procure sufficient electricity generated by eligible energy technology (solar, wind, hydroelectric, or biomass) to retail customers of BPU that is equivalent to at least 25% of total retail electric sales to retail customers by 2025 and 55% by 2035. In addition, the RES BPU must generate or procure sufficient electricity generated from a carbon-free energy technology (technology that generates electricity without emitting carbon dioxide) that will be 100% by 2040. AEP (American Electric Power) amendments have provided the requirement to date AEP contract has been finalized and approved with the contract pricing secured 1/28/25. Staff continue evaluating options to meet these requirements.

F. Lead Service Line (LSL) Inventory Assessment (9/26/23)

Work continues on mapping the public water system and identifying materials used in water service lines. All known data has been submitted to the Minnesota Department of Health (MDH) as required. Efforts to identify unknown service lines—particularly those where staff were not granted home access—are ongoing.

Notices were mailed to customers with galvanized or unknown service lines on October 15, 2024, following a coordination/informational meeting with BPU and City Department Heads. Staff also met with the Public Facilities Authority (PFA) and MDH on December 18, 2024, to discuss funding options, with additional updates provided during the MRWA Conference on March 5, 2025. The project priority list ratification was included in the consent calendar, and MDH approval is anticipated in fall 2025, staff is still awaiting this approval.

The State of Minnesota has since provided funding to Bolton & Menk to research unknown service lines and contact affected customers. That outreach effort is now complete, and Bolton & Menk are finalizing the project summary and updating the state database items for staff review. Additional updates will be posted on the BPU website as they become available.

G. Strategic Planning (04/24/2025)

Director Evans began and presented a strategic planning session and documentation. During the integration conversations the strategic planning was paused in order to align all City departments under one plan this pause in presentation continues.

**Completed in 2024:**

1. Organizational Restructuring – Job Descriptions
2. Water Treatment Plant (WTP) Asset Inventory Prepared by Bolton & Menk
3. Brainerd City Code Section 700 – Sewer Code
4. Wellhead Protection Plan (WHPP)
5. Directional Drilling Forcemain River Crossing Project
6. Proposal for Strategic Visioning and momentum Services
7. Credit Card Transaction Fees
8. Joint Committee for Parking and Car Chargers
9. Water Wastewater 20-year Feasibility Quote
10. Hydro Automation – tainter gate
11. Current Unfilled Employment Positions at BPU
12. Corrosion Control Plan to Minnesota Department of Health
13. Robert's Property Purchase

**Completed in 2025:**

1. Customer Communications Policy – GoldCross
2. Commissioners Health Insurance – Tabled
3. Website Updates: Solar Distributed Energy Resources – Posted on Website
4. Schedule of Authority Roles of Commission and Council in Operation of BPU
5. Electric Transmission Service to Brainerd – Interconnection Study v. Building Capacity
6. Reclamation and Backwash Project Design and Selection



# Public Utilities Commission Agenda Request

**MEETING DATE:** October 28, 2025

**TITLE OF ITEM:** Direction requested on Payment in Lieu of Tax/ City Contribution - Tabled from Sept. Meeting

**ACTION REQUESTED:** Direction Requested

**ESTIMATED TIME (MIN):** 15 Minutes

**SUBMITTED BY:** Danny Loch, Finance Manager

**PRESENTER:** Danny Loch, Finance Manager, Nick Broyles, City Administrator, Jeff Czczok, Councilmember

**SUMMARY OF ISSUE:** City Council at the 9/15/2025 meeting asked Commission to consider changing the PILOT contribution policy from a mill rate to a percentage of revenue. Commission considered the topic and tabled the discussion from the September meeting to October's for clarification from legal on which governing body has the authority to set the PILOT contribution. The attorney's response is attached to the agenda packet.

Council has asked the Commission's consideration that the percentages of the revenue for consideration be 3% in 2026, 4% in 2027 and 5% in 2028. The remaining summarized information was presented to Council on 9/15/2025 and Commission on 9/30/25 per a Council request.

In response to the Council's request, staff evaluated alternatives to the current Payment in Lieu of Taxes (PILOT) structure. At present, PILOT is calculated using a mill rate method, which has historically provided consistent revenues to the City. However, declining electrical consumption trends—driven by conservation requirements under Minnesota statutes—are expected to reduce the effectiveness of this approach over time.

The purpose of these PILOT payments are made by publicly owned utilities to their local governments in place of property taxes. Since municipal utilities are exempt from property taxation, these payments serve as a fair contribution toward funding essential city services such as police, fire protection, streets, and general government operations. PILOT ensures that the utility supports the community in which it operates, similar to how a private utility or business would contribute through property tax obligations. The largest and most widely accepted justification for PILOT payments continues to be this tax-equivalency model. Though this calculation has not been done, the City is anticipated to be receiving more benefit to-date from the tax equivalency basis calculation.

At the American Public Power Association (APPA) Business and Finance Conference held earlier in September 2025, Utility Financial Solutions (UFS), the City's rate advisor, highlighted shifting concerns related to PILOT contributions. Utilities across the country are facing growing challenges and scrutiny of PILOT transfers, particularly where PILOT is heavily relied upon to fund general government operations.

UFS emphasized that over-reliance on PILOT can place financial strain on utilities, especially as they plan for major infrastructure investments, meet conservation mandates, and maintain strong financial positions. This reinforces that while PILOT payments are important for supporting the City, they must be grounded in the defensible principle of property tax equivalency to maintain credibility and withstand outside challenges.

A shift to a percentage-of-revenue calculation has been suggested as a more sustainable model, aligning PILOT payments with utility financial performance rather than volumetric consumption. This method would also provide predictability for both the city and the utility, ensuring payments adjust proportionally to changes in revenues.

Year	Revenues (Estimated)	PILOT – Mill Rate Method	PILOT – % of Revenues	Variance from Previous Year
2024 (Audited)	\$26,775,553	\$768,245	—	—
2025 (Est.)	\$27,188,966	\$750,950	—	-\$17,295
2026 (Est.)	\$26,800,000	—	3% = \$804,000	+\$53,050
2027 (Est.)	\$27,336,000	—	4% = \$1,093,440	+\$289,440
2028 (Est.)	\$27,882,720	—	5% = \$1,394,136	+\$300,696

*Assumes approximately 2% annual revenue growth after 2026.*

The Electric Department is entering a period of significant capital investment over the next three years. These primary investments include bucket truck replacements and the turbine project at the hydro generation facility and the increased costs of the replacement and maintenance of the distribution system and transformer costs. Staff note that while a percentage-of-revenue model creates stability for the City, higher PILOT obligations must be balanced against the utility’s ability to fund major capital projects and maintain strong financial metrics.

At the most recent City Council budget presentation (the 2024 presentation), staff outlined rate adjustments of 1% to 3% annually over the next five years to address capital expenditures, prior to any consideration of changes to PILOT. If the Council adopts the proposed transition to a percentage-of-revenue PILOT, those projected increases would likely shift to approximately 2% to 4% annually. A comprehensive rate study would be required to confirm the actual impact and ensure that rates remain sufficient to cover both capital needs and the revised PILOT obligation.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

Staff are seeking guidance on how the Commission would like to respond to Council's request for the change from mil rate to revenue based metrics. Key considerations for Commission discussion include:

- Balancing City revenue needs with the Utility’s financial sustainability and capital plans
- Incorporating industry guidance that emphasizes the defensible tax-equivalency basis of PILOT

- Understanding potential impacts on utility rates, which may increase by 2% to 4% annually under the proposed PILOT changes when reaching 4% and 5% of revenues in 2027 and 2028.
- The need for a future rate study to verify impacts before finalizing any adjustments

An additional conversation item or data point is that the utility also pays for a share of the HR department and 10% of the administrator's salary as determined at the last budget cycle. For 2025 this amount is estimated to be \$106,700. Arguments could be made then that this is or is not a PILOT contribution.

**RECOMMENDED ACTION/MOTION:**

Staff have provided attorney Langle's response and request guidance from the Commission and a recommendation to City Council's request to adjust the contribution policy from a mill rate to percentage of revenues basis at 3% in 2026, 4% in 2027 and 5% in 2028.

**FINANCIAL IMPACT:** UNK

**From:** [Daniel Loch](#)  
**To:** [Mike Angland](#)  
**Cc:** [Nick Broyles](#)  
**Bcc:** [Mike Higgins](#); [mark](mailto:mark@dolly@greaterlakesrealtors.com); [dolly@greaterlakesrealtors.com](mailto:dolly@greaterlakesrealtors.com); [Jeff Czeczok \(Jvc4city@spectrum.net\)](mailto:Jeff.Czeczok(Jvc4city@spectrum.net)); [Trent Hawkinson](#); [Charlie Gammon](#)  
**Subject:** Attorney Response - PILOT Question from PUC  
**Date:** Wednesday, October 1, 2025 3:28:00 PM  
**Attachments:** [image002.png](#)  
[image004.png](#)  
[Policy 2003-01.pdf](#)  
[image003.png](#)  
[image001.png](#)

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Good afternoon Commissioners and Council Liaison Czeczok,

Please see below the response from Attorney Langel regarding the question raised at the recent Commission meeting related to the PILOT/Contribution policy.

City Council has requested the Commission's consideration to change the methodology from a mill rate to a percentage of revenue. Specifically, the proposed percentages are 3% in 2026, 4% in 2027, and 5% in 2028.

From my perspective, it may be worthwhile for the Commission to consider drafting a formal response—whether that response is to maintain the current structure, adjust to a revenue-based approach (which may offer more predictable year-over-year outcomes), or accept the requested changes. Ideally, we would aim to have a position approved at the next Commission meeting to bring forward to the Council's first meeting in November.

Regards,

Danny

**Daniel Loch, CPA**

Finance Manager  
218-825-3213 | Direct  
218-838-3184 | Mobile  
218-829-8726 | Office



8027 Highland Scenic Rd | Brainerd, MN 56401

[BPU.org](http://BPU.org)

[Electricity](#) | [Water](#) | [Wastewater](#)

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**From:** Joseph J. Langel <[JJL@ratwiklaw.com](mailto:JJL@ratwiklaw.com)>

**Sent:** Wednesday, October 1, 2025 9:04 AM  
**To:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Cc:** Daniel Loch <[dloch@bpu.org](mailto:dloch@bpu.org)>; Kris Schubert <[kschubert@ci.brainerd.mn.us](mailto:kschubert@ci.brainerd.mn.us)>; Connie Hillman <[chillman@ci.brainerd.mn.us](mailto:chillman@ci.brainerd.mn.us)>; Toni Gage <[tgage@ci.brainerd.mn.us](mailto:tgage@ci.brainerd.mn.us)>; Mike ODay <[moday@ci.brainerd.mn.us](mailto:moday@ci.brainerd.mn.us)>  
**Subject:** RE: PILOT Question from PUC

Nick,

The Public Utilities Commission in Brainerd is a charter-created entity, as opposed to the more typical utility commissions created under state law. The Charter therefore controls. This issue is governed by the last sentence in Chapter Five, paragraph 8:

**“The Commission shall make financial transfers to the City in amounts as specified in Brainerd Public Utilities Policy 2003-01, as amended and approved by the City Council.”**

That policy (attached) has been amended five times since adoption.

Given that the Council ultimately approves the policy and all amendments, final authority as to the content of the policy resides with the Council.

Joe

Joseph J. Langel

Ratwik, Roszak & Maloney, P.A.  
444 Cedar St., Suite 2100  
St. Paul, MN 55101-1865  
Ph: 612-339-0060 | Fax: 612-339-0038  
Web: [www.ratwiklaw.com](http://www.ratwiklaw.com)

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**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Sent:** Tuesday, September 30, 2025 3:51 PM  
**To:** Joseph J. Langel <[JLL@ratwiklaw.com](mailto:JLL@ratwiklaw.com)>  
**Cc:** Danny Loch BPU <[dloch@bpu.org](mailto:dloch@bpu.org)>; Kris Schubert <[kschubert@ci.brainerd.mn.us](mailto:kschubert@ci.brainerd.mn.us)>; Connie Hillman <[chillman@ci.brainerd.mn.us](mailto:chillman@ci.brainerd.mn.us)>; Toni Gage <[tgage@ci.brainerd.mn.us](mailto:tgage@ci.brainerd.mn.us)>; Mike ODay <[moday@ci.brainerd.mn.us](mailto:moday@ci.brainerd.mn.us)>  
**Subject:** PILOT Question from PUC  
**Importance:** High

Joe,

At the PUC meeting today, I received a very direct question from one of the Commissioners regarding PILOT authority. Can you please respond to the following question. Your response will be included in the next PUC packet. I might also anticipate this question coming up at Monday's City Council meeting.

***Does the PUC possess ultimate authority to set their PILOT payment to the City? Or is it irrelevant what the PUC says the PILOT should be because the Council can override the PILOT rate identified by the PUC?***

Danny,

Do you have anything to add to this? Did I capture the spirit of the question from the Commissioner?

Regards

Nick



**Nick Broyles, MPA** | City Administrator  
City of Brainerd | 501 Laurel Street Brainerd MN 56401  
218.828.2307 | [nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)



# City Council Agenda Request

**MEETING DATE:** September 2, 2025

**TITLE OF ITEM:** Direction on PILOT Contribution from Public Utilities

**AGENDA:** P&F Committee

**ACTION REQUESTED:** Discussion Item

**SUBMITTED BY:** Nick Broyles, City Administrator,  
Connie Hillman, Finance Director

**DEPARTMENT:** Finance

**PRESENTER:** Nick Broyles, City Administrator

**ESTIMATED TIME (MIN):** 10 Minutes

**SUMMARY OF ISSUE:** Council consensus from the 8/25/25 budget workshop, was for Staff to look into updating the PILOT contribution from the electric utility department. The current contribution policy is attached. Staff did a listserv of LMC members and attached to this agenda item are the responses received.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

Below is a history of the PILOT contribution:

2025 thu June	\$375,475
2024	765,150
2023	783,245
2022	756,373
2021	761,150
2020	734,569
2019	757,394
2018	691,284
2017	672,823
2016	681,227
2015	596,543

The current 2026 budget has \$780,000 as the PILOT contribution. Per the 2024 audit, the electric revenue was \$26,775,553. 2025 the budgeted revenue for the electric department was \$30,470,400. The chart below gives various PILOT contributions based off of revenue for both actual 2024 and 2025 budgeted revenue:

	2024 Actual	2025 Budget
1%	\$267,756	\$304,704
3%	803,267	914,112
4%	1,071,022	1,218,816
5%	1,338,778	1,523,520
7%	1,874,292	2,132,928
10%	2,677,560	3,047,040

**RECOMMENDED ACTION/MOTION:** Direction to staff on how to proceed with PILOT from the Public Utilities Department.

**FINANCIAL IMPACT:** UNK

**BRAINERD PUBLIC UTILITIES  
POLICY 2003-01**

**Adopted March 25, 2003**

**Revision No. 1 – January 25, 2005**

**Revision No. 2 – November 24, 2009**

**Revision No. 3 – November 24, 2015**

**Revision No. 4 – August 28, 2018**

**Revision No. 5 – July 26, 2022**

**CONTRIBUTION TO CITY POLICY**

Brainerd Public Utilities (BPU) will make regular financial contributions to the City of Brainerd (City). These contributions will be made on a monthly basis based on retail sales by the BPU Electric Department. Retail sales by the Electric Department are defined as energy sales expressed in kilowatt-hours (kWh) to BPU retail electric customers. Energy sales to BPU retail electric customers do not include sales to any City facilities or any energy usage by BPU departments. The monthly BPU contribution will be a cash contribution to the City equal to \$0.0045 per kWh based on energy sales to retail electric customers in the previous month. ~~The new contribution rate will be effective January 1<sup>st</sup> following the date of the most recent revision.~~

The monthly cash contribution to the City for medium and large industrial customers (crypto mining customers) will be equal to \$0.00025 per kWh. This rate will be reevaluated on December 31, 2023, by BPU Commission and City.

BPU will make no contribution to the City based on operations or sales by the BPU Water or Wastewater Departments. BPU will make no other contributions to the City (cash or services) other than the cash contribution based on retail electric sales.

BPU will bill the City for all utility services (electric, water and wastewater) at regular utility rates as set by the BPU Commission for applicable service to City facilities. The applicable rates for service to City facilities are subject to change as may be determined necessary by the BPU Commission.

**From:** [Steven Mielke via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 9:49:37 AM

---

The following message has been sent to you in response to your discussion message.

[View inbox and reply to the message online](#)

Message From: Steven Mielke

Hello Nick,

It's been a while since I managed an electric utility (Janesville MN) but my reaction to your question caused me to want to respond.

First, the primary purpose of a municipal electric utility is to ensure that the utility is working efficiently and has a stable financial base. So making sure the operation is well funded, including a comprehensive capital replacement plan is adequately funded, needs to be in place.

If the municipal rates are lower than the adjacent for-profit utilities, that should be made known to the public and the elected officials. There is a way to quantify that benefit to rate payers.

Then, if the utility is set up well for the future, it would be possible for a financial consultant to calculate what taxes a for-profit utility would pay if they owned the same facilities the municipal operation. That could be the basis of calculating the PILOT amount.

I would not suggest a charter provision but instead a formal agreement between the municipal electric board (I'm assumung you have an independent electric board) and the City Council. A charter amendment would be cumbersome to change if it becomes necessary to do so.

If there is a desire to have the municipal electric contribute more than the amount a for-profit utility would pay, perhaps an annual amount could be arranged through the annual budget process. It would be advisable to specify the additional amount toward city capital purchases so the city doe not become dependent on the utility for its regular operating budget.

I hope this is helpful. Good luck,

-----  
Steven Mielke  
Dakota County - Retired  
Lakeville, MN  
952.454.4404  
smielke@charter.net  
-----

-----  
Original Message:  
Sent: 08-26-2025  
From: Nick Broyles  
Subject: PILOT for City-Owned Electric Utility

Good morning all:

For those of you who have a city-owned electric utility, how do you determine what, if any, dollar amount the utility contributes to the city general fund each year? PILOT for example. Also, is this agreement codified in charter or is it simply enacted via a resolution?

Thanks, Nick

-----  
Nick Broyles  
City Administrator  
Brainerd  
Brainerd MN  
(218) 828-2307  
-----

**From:** [Michele McPherson](#)  
**To:** [Nick Broyles](#)  
**Cc:** [Keith Butcher](#)  
**Subject:** Re: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 8:10:07 AM  
**Attachments:** [image001.png](#)

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You don't often get email from mmcpherson@princetonmn.org. [Learn why this is important](#)

\*\*\* **Warning:** External sender, use extreme caution with attachments and links \*\*\*

Nick –

As the utility is technically its own corporation, they get to set the amount of the PILOT. There are multiple utilities out there that have agreements – see the City of Marshall, theirs is pretty detailed in how the amount is calculated and what it is used for.

In Princeton, the General Manager has tied the PILOT to the amount of KW hours sold, so it is based on a mil rate. It is not in ordinance as it is not a requirement that the utility pay a PILOT.

Personally, I would not count on a PILOT payment as part of my General Fund budgeting since there is no requirement for a PILOT.

I have included our Public Utilities General Manager, Keith Butcher on my reply – feel free to reach out to him as I am sure that he would be happy to provide some input.

*Michele McPherson (M2)*

City Administrator



705 2<sup>nd</sup> Street North  
763/389-2040

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"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually

strive to do the deeds; who knows great enthusiasms, the great devotions, who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.”

Citizenship in a Republic – Theodore Roosevelt, Paris 1910

**From:** [Utility Supt](#)  
**To:** [Nick Broyles](#)  
**Cc:** [Kim Schroeder](#)  
**Subject:** Wadena Utilities PILOT  
**Date:** Wednesday, August 27, 2025 7:57:23 AM  
**Attachments:** [Transfer Calculation 2025 Budget.xls](#)

---

You don't often get email from [utilityisupt@wadena.org](mailto:utilityisupt@wadena.org). [Learn why this is important](#)

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Nick,

Kim forwarded me your email about our PILOT payment to the General Fund from the Electric Utility. It is 4.4 mills per Kwh sold per customer class with a minimum transfer of \$325,000.

I have attached the calculation spreadsheet for 2025. The reason it is not calculated on a calendar year is the calculation needs to be completed in time for the general fund budgets.

Thank you,

*David Evans*

*Utilities Superintendent*

*City of Wadena*

*218-631-7712*

**TRANSFER TO THE GENERAL FUND CALCULATION**

**FOR 2025 BUDGET YEAR**

**Kwh Sales by Month**

<b>Billing Code</b>	<b>July '23</b>	<b>Aug. '23</b>	<b>Sept. '23</b>	<b>Oct. '23</b>	<b>Nov. '23</b>	<b>Dec. '23</b>	<b>Jan. '24</b>	<b>Feb. '24</b>	<b>Mar. '24</b>	<b>Apr. '24</b>	<b>May '24</b>	<b>June '24</b>	<b>Totals</b>
10	1,313,673	1,320,367	1,145,658	1,039,313	1,169,065	1,337,015	1,479,955	1,191,645	1,273,311	1,019,657	963,969	1,065,762	14,319,390
11	52,880	50,856	42,853	102,147	208,208	238,420	325,207	230,592	228,295	127,147	57,116	39,792	1,703,513
12	150,483	150,037	136,121	197,865	326,088	378,304	478,646	344,164	352,573	220,995	143,456	125,594	3,004,326
19	26,996	23,221	19,206	15,070	20,557	22,098	26,801	19,054	18,643	12,161	15,877	18,975	238,659
20	244,058	253,217	226,931	221,361	335,009	386,001	452,857	361,697	378,335	282,881	241,509	251,474	3,635,330
21	22,736	20,326	34,362	81,695	133,946	149,487	202,627	146,193	144,268	92,224	29,240	15,300	1,072,404
23	217,999	232,407	183,757	168,771	190,509	204,118	216,968	184,055	197,773	164,309	169,726	181,470	2,311,862
30	3,086,423	3,127,203	2,939,025	2,750,080	3,007,721	3,203,801	3,565,060	3,027,548	3,211,472	2,760,698	2,803,703	2,882,900	36,365,634
31	20,246	21,358	15,526	27,553	47,789	50,131	62,374	46,840	45,082	22,577	16,302	16,388	392,166
<b>Monthly Total</b>	<b>5,135,494</b>	<b>5,198,992</b>	<b>4,743,439</b>	<b>4,603,855</b>	<b>5,438,892</b>	<b>5,969,375</b>	<b>6,810,495</b>	<b>5,551,788</b>	<b>5,849,752</b>	<b>4,702,649</b>	<b>4,440,898</b>	<b>4,597,655</b>	<b>63,043,284</b>
						31,090,047						31,953,237	

Total Kwh Sales **63,043,284**

Transfer mill rate **0.0044**

Annual Transfer Amount **\$ 277,390.45**

Monthly Transfer Amount **\$ 23,115.87**

Minimum Transfer Amount **\$ 325,000.00**

Monthly Transfer Amount **\$ 27,083.33**

**From:** [Sharon Hanson](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: PILOT from Utilities  
**Date:** Tuesday, August 26, 2025 10:51:56 AM  
**Attachments:** [image001.png](#)

---

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We have a formula that is reviewed every three years. I feel like the formula is really just backed into from the number the utility thinks it should be. But it is approximately 5% of electrical utility revenue which I think it is about the industry standard.

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Date:** 8/26/25 10:10 AM (GMT-06:00)  
**To:** Sharon Hanson <[Sharon.Hanson@ci.marshall.mn.us](mailto:Sharon.Hanson@ci.marshall.mn.us)>  
**Subject:** PILOT from Utilities

Sharon,

Does your utility contribute funds to the general fund every year? If yes, is it specified in charter, resolution, or some other form?

Regards

Nick



**Nick Broyles, MPA** | City Administrator  
City of Brainerd | 501 Laurel Street Brainerd MN 56401  
218.828.2307 | [nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)

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**From:** [Calvin Portner via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 10:26:22 AM

---

The following message has been sent to you in response to your discussion message.

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Message From: Calvin Portner

Hi Nick,

Elk River has a policy of 4% of electric revenues from all accounts within the city limits.

I'd be interested in your answers from all the other cities. I don't know where this number originated, and if it is consistent with the revenue we'd get if their assets were on the tax rolls.

I hope all is going well in Brainerd!

-----  
Calvin Portner  
Administrator  
Elk River  
Elk River MN  
(763) 635-1001  
-----

-----  
Original Message:  
Sent: 08-26-2025  
From: Nick Broyles  
Subject: PILOT for City-Owned Electric Utility

Good morning all:

For those of you who have a city-owned electric utility, how do you determine what, if any, dollar amount the utility contributes to the city general fund each year? PILOT for example.

Also, is this agreement codified in charter or is it simply enacted via a resolution?

Thanks, Nick

-----  
Nick Broyles  
City Administrator  
Brainerd  
Brainerd MN  
(218) 828-2307  
-----

**From:** [Chris Dalton](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: [External]New Ulm Charter  
**Date:** Tuesday, August 26, 2025 9:38:46 AM  
**Attachments:** [image001.png](#)

---

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Nick,

They pay 5% of their revenue to the general fund. Let me know if you need additional information or any other questions.

Chris Dalton  
City Manager  
City of New Ulm  
507.233.2112

---

**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Sent:** Tuesday, August 26, 2025 8:13 AM  
**To:** Chris Dalton <[ChrisD@newulmmn.gov](mailto:ChrisD@newulmmn.gov)>  
**Subject:** RE: [External]New Ulm Charter

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Chris,

How much does your utility pay into your general fund every year?

Regards  
Nick



**Nick Broyles, MPA** | City Administrator  
City of Brainerd | 501 Laurel Street Brainerd MN 56401  
218.828.2307 | [nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)

**From:** [Sydney Wiertzema via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 8:18:10 AM

---

The following message has been sent to you in response to your discussion message.

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Message From: Sydney Wiertzema

Our transfer is \$250,000 each year. I believe it was per resolution years ago.

-----  
Sydney Wiertzema  
City Administrator  
Breckenridge  
Breckenridge MN  
(218) 643-1431  
-----

-----  
Original Message:  
Sent: 08-26-2025  
From: Nick Broyles  
Subject: PILOT for City-Owned Electric Utility

Good morning all:

For those of you who have a city-owned electric utility, how do you determine what, if any, dollar amount the utility contributes to the city general fund each year? PILOT for example. Also, is this agreement codified in charter or is it simply enacted via a resolution?

Thanks, Nick

-----  
Nick Broyles  
City Administrator  
Brainerd

Brainerd MN  
(218) 828-2307

---

**From:** [Blaine Hill via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: MCMA : PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 2:18:38 PM

---



## MCMA

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Re: PILOT for City-Owned Electric Utility

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Blaine Hill



Aug 26, 2025 2:19 PM

[Blaine Hill](#)

When I was in Breckenridge, I believe it was in the Charter as a % of profits leaving a % for expansion. However, I don't think that truly reflected all the factors that went into figuring rates, the utility environment and even the fact that the commission also oversaw water and sanitary sewer. I know some cities have natural gas too. I know some cities use the utility reserves for one time project contributions like a swimming pool. I'm the retired Morris City Manager and our liquor store does very well. We take a little bit, leave the rest in reserve. Same thing, maybe a one-time purchase. However, we are building a new one.

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---

Original Message:  
Sent: 8/26/2025 2:58:00 PM  
From: Jeffrey Weldon  
Subject: RE: PILOT for City-Owned Electric Utility

Nick,

There is no magic formula for determining a PILOT, it's whatever the council wants

and the electric commission want to agree upon. If you want to tie it to something logical, you can look at all the tax exempt assets that make up the electrical infrastructure and apply the current tax rate on it as if it were a private investor-owned utility. Philosophically, electrical enterprise funds should provide a transfer to their owner just like all enterprise funds should whether it is water, sewer, liquor, golf, gas, or anything else. This PILOT transfer does not need to be codified in charter or code. Just a motion. It could even be part of the budget adoption resolution.

---

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**From:** [Mike Roth](#)  
**To:** [Nick Broyles](#)  
**Subject:** electric utility contributions  
**Date:** Tuesday, August 26, 2025 9:26:51 AM

---

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Hi Nick,

I hope all is well for you in Brainerd. Our municipal electric utility pays a franchise fee, which is codified as \$40,000 plus 1% of gross fees for electric services. We have discussed increasing the amount for a few years, and I think we will actually do it this year. One source I found useful was talking to rating agencies about what their expectations are for the electric utility. When they evaluate the utility, they note the percentage being paid to the general fund. Up to a certain amount (maybe around 5%) it has no effect on the rating they would provide to the utility.

What is your current practice?

Mike

--

Mike Roth  
City Administrator  
City of Grand Marais  
(218) 387-1848



**From:** [Clinton Rogers](#)  
**To:** [Nick Broyles](#)  
**Subject:** Re: PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 9:02:44 AM  
**Attachments:** [image001.png](#)

---

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Nick, our City Code has the following language in our City Code under “Municipal Utility Fee”

(E) *Fees.* Each municipal utility shall pay to the general fund a fee of 5% of its gross revenues, including costs for wholesale power distributed through the systems owned and operated by the Public Utilities Commission, for the use of the public rights-of-way and easements. The fee shall be payable monthly. (2002 Code, § 34.01) (Ord. 241, passed 11-24-1997)



**Clinton M Rogers**  
City Administrator  
City of Janesville, MN

**Phone** 507-234-5110  
**Mobile** 507-340-3320  
**Web** [www.janesvillemn.gov](http://www.janesvillemn.gov)  
**Email** [clintonr@janesvillemn.gov](mailto:clintonr@janesvillemn.gov)  
PO Box O  
101 N Mott Street  
Janesville, MN 56048

**From:** [Matt Jaunich](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: Utility PILOT  
**Date:** Tuesday, August 26, 2025 8:51:07 AM  
**Attachments:** [image001.png](#)  
[PILOT resolution - Revised Final.doc](#)

---

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Nick,

Attached is the resolution the City did back in 2018 with Hutch Utilities that laid out the framework for how our current PILOT works. This year's payment is set to be at \$1,942,628.

The floor aspect of the agreement is good. I've grown frustrated with the ceiling portion as we are now entering year 4 or 5 of no PILOT increase because they haven't seen an increase in their total operating revenue. However, their fund balance has nearly doubled during that time. Something we are going to be looking at moving forward. With that said, Hutch Utilities has also invested in two major projects within the City over the last 5 years. First, they paid for the City's street light conversion to LEDs. That was about a \$1.4 million investment. They also paid for the replacement of our baseball field lights to LED at a cost of around \$350,000.

Let me know if you have any other questions.

Matt

---

**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Sent:** Tuesday, August 26, 2025 8:14 AM  
**To:** Matt Jaunich <[MJaunich@hutchinsonmn.gov](mailto:MJaunich@hutchinsonmn.gov)>  
**Subject:** Utility PILOT

This message originated from an external source. Please inspect the email and sender address before clicking any links or attachments.

Matt,

How much does your utility pay into your general fund every year?

Regards

Nick

**RESOLUTION NO. 14853**

**A RESOLUTION DEFINING THE HUTCHINSON UTILITIES COMMISSION'S ANNUAL CONTRIBUTION TO THE CITY OF HUTCHINSON IN LIEU OF TAXES**

**WHEREAS**, the Hutchinson City Charter and the Hutchinson Utilities Commission By-laws contain provisions for the transfer of surplus utility funds of the Hutchinson Utilities Commission to the City in lieu of the payment of taxes; and

**WHEREAS**, in December of 2006 both the Hutchinson City Council (City) and the Hutchinson Utilities Commission (HUC) passed resolutions (13100) which set the annual contribution by HUC at 2.75% of the total operating revenue as determined by the second preceding year's financial audit of the Hutchinson Utilities Commission in lieu of the payment of taxes; and

**WHEREAS**, HUC also makes additional annual payments to the City for Street Lighting and the Energy Tree Program bringing the combined total transfer to approximately 3.22%; and

**WHEREAS**, such transfers are common between municipal utilities and their cities and typically average around 4.5% in the West North Center United State region according to APPA's latest study; and

**WHEREAS**, the PILOT formula has not been adjusted since the 2006 resolutions were adopted; and

**WHEREAS**, the City and the HUC have determined that it is in the best interest of both entities to update the PILOT payment and formula used.

**NOW, THEREFORE, BE IT RESOLVED** by and between the City Council of the City of Hutchinson and the Hutchinson Utilities Commission, that the contribution from the HUC to the City in lieu of taxes shall be an amount equal to 4.50% of the total operating revenue of the HUC as determined by the most recent years' completed financial audit of the HUC. The arrangement between the City and the HUC shall be as follows:

- The contribution of 4.50% shall be phased in over three (3) years and will include a floor and cap.
- 2018's payment shall be collectively at 3.25% of each division's total operating revenue of the HUC as determined by the 2016 financial audit of the HUC.
- 2019's payment shall be collectively at 4.00% of each division's total operating revenue of the HUC as determined by the 2017 financial audit of the HUC
- 2020's payment shall be collectively at 4.50% of each division's total operating revenue of the HUC as determined by the 2018 financial audit of the HUC
- For years 2021 and beyond, the payment shall be collectively at 4.50% of each division's total operating revenue of the HUC as determined by the most recent year's completed financial audit of the HUC.
- Future PILOT payments shall include a floor and a ceiling. The floor will be no less than the previous year's payment of each division and a ceiling that does not extend beyond a 2% increase of each divisions operating revenue from the previous year's payment.

- The contribution in lieu of taxes shall be paid to the City each year in four quarterly installments.
- The City and HUC will review the formula every three years, or sooner, if conditions warrant.

**FURTHERMORE, BE IT RESOLVED** that the City and HUC recognize that a Cost of Service Study, along with APPA and Minnesota City Surveys may affect rates in future years and will be taken into consideration when looking at future PILOT payments.

**FURTHERMORE, BE IT RESOLVED** that in keeping in harmony with the Hutchinson City Charter the City and HUC agree to look at additional one-time transfers in the future, as conditions and opportunities warrant.

**FURTHERMORE, BE IT RESOLVED** that the Street Lighting and Energy Tree Program payments from the HUC to the City be phased out as well. The phasing will include 100% payment in 2018, 50% payment in 2019, and 0% payment in 2020 and beyond.

**FURTHERMORE, BE IT RESOLVED** that this arrangement shall stay in place until a new resolution is negotiated between the City and the HUC.

**FURTHERMORE, BE IT RESOLVED** that the Hutchinson Utilities Commission unanimously approved the above detailed resolution and arrangement on January 31, 2018.

ADOPTED BY THE HUTCHINSON CITY COUNCIL THIS 13<sup>TH</sup> DAY OF FEBRUARY, 2018

---

**GARY T. FORCIER, MAYOR**

**ATTEST:**

---

**MATTHEW JAUNICH, CITY ADMINISTRATOR**



**Nick Broyles, MPA** | City Administrator  
City of Brainerd | 501 Laurel Street Brainerd MN 56401  
218.828.2307 | [nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)

**From:** [Jeffrey Weldon via LMC - MemberLink](#)  
**To:** [Nick Broyles](#)  
**Subject:** RE: MCMA : PILOT for City-Owned Electric Utility  
**Date:** Tuesday, August 26, 2025 1:58:20 PM

---



## MCMA

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Aug 26, 2025 1:58 PM

[Jeffrey Weldon](#)

Nick,

There is no magic formula for determining a PILOT, it's whatever the council wants and the electric commission want to agree upon. If you want to tie it to something logical, you can look at all the tax exempt assets that make up the electrical infrastructure and apply the current tax rate on it as if it were a private investor-owned utility. Philosophically, electrical enterprise funds should provide a transfer to their owner just like all enterprise funds should whether it is water, sewer, liquor, golf, gas, or anything else. This PILOT transfer does not need to be codified in charter or code. Just a motion. It could even be part of the budget adoption resolution.

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Original Message:  
Sent: 8/26/2025 9:05:00 AM  
From: Nick Broyles  
Subject: PILOT for City-Owned Electric Utility


Good morning all:

For those of you who have a city-owned electric utility, how do you determine what, if any, dollar amount the utility contributes to the city general fund each year? PILOT

for example. Also, is this agreement codified in charter or is it simply enacted via a resolution?

Thanks, Nick

-----  
Nick Broyles  
City Administrator  
Brainerd  
Brainerd MN  
(218) 828-2307  
-----



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**From:** [Daniel Loch](#)  
**To:** [Toni Gage](#); [Nick Broyles](#)  
**Subject:** Fw: Electric/Water/Wastewater Treatment Rates  
**Date:** Tuesday, September 2, 2025 7:56:21 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[3 Year Summary Rate Changes - Jeff.xlsx](#)

---

\*\*\* **Warning:** External sender, use extreme caution with attachments and links \*\*\*

Hi Nick/Toni,

Here is the email with the attachment.

Regards,

Danny

Daniel Loch, CPA  
Finance Manager  
[218-825-3213](tel:218-825-3213) | Direct  
[218-838-3184](tel:218-838-3184) | Mobile  
[218-829-8726](tel:218-829-8726) | Office  
[8027 Highland Scenic Rd | Brainerd, MN 56401](#)  
[BPU.org](#)  
[Electricity](#) | [Water](#) | [Wastewater](#)

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**From:** Daniel Loch <dloch@bpu.org>  
**Sent:** Friday, August 29, 2025 9:14 PM  
**To:** Nick Broyles <nbroyles@ci.brainerd.mn.us>  
**Subject:** RE: Electric/Water/Wastewater Treatment Rates

Nick,

Please see the attached Excel summary. Recent rate adjustments across our utility divisions and their impact on revenues and expenditures are summarized below.

Over the past three years, each division has implemented rate adjustments at different times and in

different ways.

For Water, adjustments were made on September 1, 2022, with an **8.22%** increase to commodity charges only; on December 1, 2023, with a **12.0%** increase to the base charge and a **3.8%** increase to the commodity charge; and on December 1, 2024, with a **20.0%** increase across all fees. No adjustment is scheduled for 2025 following the significant 2024 increase.

For Wastewater, adjustments were made on September 1, 2022, with a **9.8%** increase to commodity charges; on December 1, 2023, with a **6.4%** increase to the base charge and a **9.0%** increase to the commodity charge; and on June 1, 2025, with a **9.9%** increase to the base charge and a **10.9%** increase to the commodity charge.

For Electric, there was no change in 2022. Adjustments were made on September 1, 2023, with a **5.33%** increase to the base charge and an **8.85%** increase to the commodity charge; on September 1, 2024, with a **3.75%** increase to base charges and a **1.22%** increase to commodity charges; and on June 1, 2025, with a **6.42%** increase to base charges and a **4.57%** increase to commodity charges.

While these adjustments have helped revenues keep pace with rising operational expenditures, they have not consistently met budgeted targets for building reserves to support capital expenditures.

For Water, 2024 results exceeded expectations and produced the first positive change in net position in three years. However, through June 2025 there is again a negative change in net position of **\$244,024**. Water has long been subsidized by other divisions, and while progress has been made to correct this, challenges remain. Rising infrastructure costs are of greatest concern as the utility has been required to issue debt year over year to complete water projects in conjunction with street projects.

For Wastewater, the change in net position continues to grow and exceed budget expectations through 2025. Revenues are covering expenditures. However, as the wastewater treatment facility plan continues, infrastructure needs are emerging where reserves are not sufficient to maintain and replace aging infrastructure.

For Electric, the net position remained positive and stable through 2022 and 2023 but decreased significantly in 2024 and is now negative in 2025. Revenues are covering operating expenditures but are not sufficient to meet projected reserve targets. Most rate classes underperformed in 2024 and 2025. This shortfall reduces the ability to fund capital improvements and address aging infrastructure primarily at the hydro facility.

Since 2017, there has been a growing need for the utility to issue debt to cover critical infrastructure needs. This reflects the gap between revenues that cover daily operations and the longer-term funding necessary to invest in and modernize utility systems. Debt issuance has become a more significant part of our capital funding strategy.

In summary, revenues across all divisions are covering operational costs, as seen in the positive net position in 2024. However, these trends are not continuing in 2025. Two divisions—Water and Electric—are showing negative changes in net position year-to-date, which indicates that current rate levels are not sufficient to build reserves for capital expenditures. Balancing affordability for customers with long-term sustainability of our utility systems remains a critical challenge. Noting this, Commission approved rate increases in April of 2025 that began in June and increase every 6 months for the next two years to aid in building reserves again. As noted in my managers' report in July we have noted that our budget process for 2026 will be the time to evaluate the utility's growing need to monitor costs.

Respectfully,

Danny Loch

**Daniel Loch, CPA**

Finance Manager  
218-825-3213 | Direct  
218-838-3184 | Mobile  
218-829-8726 | Office



8027 Highland Scenic Rd | Brainerd, MN 56401

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**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Sent:** Friday, August 29, 2025 3:55 PM  
**To:** Jeff Czczok <[jzczok@ci.brainerd.mn.us](mailto:jzczok@ci.brainerd.mn.us)>  
**Cc:** Daniel Loch <[dloch@bpu.org](mailto:dloch@bpu.org)>  
**Subject:** FW: Electric/Water/Wastewater Treatment Rates

Jeff,

Danny has provided the below information. It is not all inclusive yet as Danny's time has been divided. He is filling in gaps due to Kelly Dean's retirement. He is still working on collecting some of the electrical data and should have it by the middle of next week.

Regards

Nick



**Nick Broyles, MPA** | City Administrator  
City of Brainerd | 501 Laurel Street Brainerd MN 56401  
218.828.2307 | [nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)

**From:** Daniel Loch <[dloch@bpu.org](mailto:dloch@bpu.org)>  
**Sent:** Friday, August 29, 2025 3:30 PM  
**To:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>  
**Subject:** RE: Electric/Water/Wastewater Treatment Rates

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Hi Nick,

I do have some of the information at hand.

The utility has increased their rates each of the past three years in different capacities, i.e. base charge and commodity.

Water incurred adjustments 9/1/2022, 12/1/2023, and 12/1/2024.

Wastewater incurred adjustments: 9/1/2022, 12/1/2023 and 6/1/2025.

Electric did not incur an adjustment in 2022, but had adjustments 9/1/2023, 9/1/2024 and 6/1/2025.

Water and wastewater's 9/1/2022 adjustment was a commodity only change of 8% and 10% respectively.

The 12/1/2023 adjustments for water and wastewater included both base and commodity charges. Water had a 12% change for base and 4% change for commodity (per 1,000 gallons sold). Wastewater saw a 12/1/2023 increase of 6% for the base charge and 9% for commodity (per 1,000 gallons treated).

As of 12/1/2024 Water had a 20% increase across all fees and no adjustment in 2025 following this significant adjustment.

Wastewater and Electric saw varying degrees of adjustments across all rate classes. Wastewater had a 10% base fee and 11% commodity change as of 6/1/2025.

I am still quantifying the electrical changes as I am working through a billing error as we transition Kelly out for her retirement. I will have those quantified and calculated by Tuesday morning. Rough estimated changes in rates for electric across 2023 and 2024 were 4-9% across the rate classes in each year.

Regards,

Danny

**Daniel Loch, CPA**  
Finance Manager  
218-825-3213 | Direct  
218-838-3184 | Mobile  
218-829-8726 | Office



8027 Highland Scenic Rd | Brainerd, MN 56401

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**From:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>

**Sent:** Wednesday, August 27, 2025 3:01 PM

**To:** Jeff Czczok <[jzczok@ci.brainerd.mn.us](mailto:jzczok@ci.brainerd.mn.us)>

**Cc:** Connie Hillman <[chillman@ci.brainerd.mn.us](mailto:chillman@ci.brainerd.mn.us)>; Daniel Loch <[dloch@bpu.org](mailto:dloch@bpu.org)>

**Subject:** Re: Electric/Water/Wastewater Treatment Rates

Jeff,

Yes. I should have an answer to you by Friday.

Regards

Nick

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**From:** Jeff Czczok <[jzczok@ci.brainerd.mn.us](mailto:jzczok@ci.brainerd.mn.us)>

**Sent:** Wednesday, August 27, 2025 1:53:34 PM

**To:** Nick Broyles <[nbroyles@ci.brainerd.mn.us](mailto:nbroyles@ci.brainerd.mn.us)>

**Cc:** Connie Hillman <[chillman@ci.brainerd.mn.us](mailto:chillman@ci.brainerd.mn.us)>; Danny Loch BPU <[dloch@bpu.org](mailto:dloch@bpu.org)>

**Subject:** Electric/Water/Wastewater Treatment Rates

Hi Nick,

Could I please get a record of the number of times the PUC has increased the three utility rates in the last three years.

How much of each increase on average based on the different categories and when were the rate increases implemented.

And, did the revenues generated from each of the rate increases cover the budgeted expenses.

Please let me know if you've any questions.

Thanks much, Jeff

<b>Water</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Water Base Charge % Change	0.00%	12.00%	20.00%
Water Commodity Charge % Change	8.22%	3.80%	20.00%
Effective Date	9/1/2022	12/1/2023	12/1/2024
Water Change in Net Position	\$ (273,000) \$	(710,000) \$	68,000

<b>WasteWater Treatment</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
WW Base Charge	0.00%	6.40%	0.00%
WW Commodity Charge	9.80%	9.00%	0.00%
Effective Date	9/1/2022	12/1/2023	12/1/2024
Wastewater Change in Net Position	\$ (266,937) \$	937,703 \$	1,655,361

<b>Electric</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Electric Average on Base Charges	0.00%	5.33%	3.75%
Electric Average Increase Kwh Sold	0.00%	8.85%	1.22%
Effective Date	9/1/2022	9/1/2023	9/1/2024
Electric Change in Net Position	\$ 1,356,145 \$	1,351,047 \$	401,035

**2025**

0.00%

0.00%

6/1/2025

\$ (244,024)

**2025**

9.90%

10.90%

6/1/2025

\$ 466,887

**2025**

6.42

4.57

6/1/2025

\$ (306,544)

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

**June 28, 2022**

Commission Angrand asked for an update on the Crow Wing County Landfill Leachate agreement. Supervisor Gammon discussed Leachate agreement for a potential trade of disposal of biosolids as a future option.

### Discussion of Minnesota Power's analysis of transmission line

Operations Supervisor Hawkinson discussed thermal layering of conductors and how the Riverton line may be looking at an upgrade to raise the structures, to help keep that at a safe level and allow more room for growth. On a hot day, the temperature in conjunction with load can be up to 300 degrees. Without line upgrade, summer load would be limited to 77-80 MW and winter load limited to 107-112 MW.

### Front Street Café bill adjustment request

BPU staff received a request from commercial customer, Front Street Café, after a water line break that occurred in the basement to waive the wastewater treatment and collection charges in the amount of \$195.49. Staff recommendation is to grant the request.

**Motion by Commissioner Johnson and seconded by Commissioner Angrand to approve the request to waive wastewater treatment and collection charges in the amount of \$195.49 for Front Street Café. Commissioner Wussow voted nay with Commissioners Johnson, Angrand, Matten and O'Day voting aye. Motion carried.**

Commissioners Wussow and Matten requested that all action items within staff reports are noted on the main agenda for future meetings. Commissioner Wussow noted that he was in favor of the above request but voted no due to the fact it was not identified on the main agenda as an action item.

### Summary of Contributions to City of Brainerd

Finance Director Wicklund provided a breakdown of contribution to the City of Brainerd. Wicklund noted that since it wasn't identified as an action item on the current agenda that it will be discussed next month.

Wicklund also noted that he will be planning on communicating his future retirement plans to the Commission.

### HR Director's Report

- Not available

Next Board meeting is scheduled for July 26, 2022.

### Superintendent's Report

#### Water Department

- Projects
  - Water storage tank project: First formed wall was poured, however, Magney is having issues with the concrete forms contracting in the sun and sticking to the concrete when the form is removed. The manufacturer is working on a solution. So far, no movement on the bonding bill for the backwash tank project, and unsure if there will be a special legislative session.
  - Maintenance: Crews flushing hydrants and working on gate valve and standpipe maintenance. Additionally, last night they worked on a water service line repair.

## BRAINERD PUBLIC UTILITIES COMMISSION MEETING

July 26, 2022

confirmed that other communities do own land for this purpose and then can potentially lease it out. This allows them control of the land application process. There are a few that have moved away from that but only because they changed their biosolids technology but still were able to get their land investment cost back. His overall recommendation was that if purchasing land for application is feasible to do that which only helps make the application process easier. With regards to odor in the storage facility, the reduced liquid also puts off less of an odor as well.

This proposed new NPDES permit is open for public comment as of June 22, 2022, for 60 days and will be closing in the middle of August.

### Old Business

- None

### New Business

Pay request No. 8 received from Magney Construction

Pay request in the amount of \$244,483.19 was received for the water tank storage project.

**Motion by Commissioner Wussow and seconded by Commissioner Matten to approve pay request No. 8 to Magney Construction in the amount of \$244,483.19. There was a unanimous roll call vote in favor of the motion. Motion carried.**

Revision of Contribution to City Policy

The policy change addresses and adds a rate related to the medium and large industrial customers (Crypto mining customers) and will be paid at the rate of \$0.00025 per kWh and then reevaluated on December 31, 2023, by the BPU Commission and City. City Administrator Bergman confirmed that the City Council had already approved this revision.

**Motion by Commissioner Angland and seconded by Commissioner Wussow to approve the revised Contribution to City Policy. There was a unanimous vote in favor of the motion. Motion carried.**

### City Administrator Report

City Administrator Bergman reported on the following:

- Sale of Industrial Park Lot
  - VCV Digital had 180 days to do their due diligence to allow the Economic Development Authority (EDA) to close on the property; this deadline is up on August 30<sup>th</sup>. City Administrator Bergman has communicated with VCV Digital last week and they have confirmed intent to meet the August 30<sup>th</sup> deadline but will then be on the September EDA meeting agenda rather than August.
- Staffing Changes:
  - City Councilman, Dave Pritschet, resigned and council appointed Jamie Bieser to fill the vacant seat through the remainder of 2022 with that seat being on the 2022 election.
  - City Engineer and Public Works Director: Jessie Dehn will be starting on Monday, August 1<sup>st</sup>.
  - Gary Thompson, Streets Department, announced his retirement. His last day will be October 15<sup>th</sup>. City Administrator Bergman noted that he will be leaving with a lot of industry knowledge and was appreciative of his long notice.

**BRAINERD PUBLIC UTILITIES COMMISSION MEETING**

August 28, 2018

**Other Commissioners' Reports**

None

**City Administrator Report**

None

**Secretary's Report**July 31, 2018 Summary of Utility Operations

<i>(Amounts in Thousands)</i>	Seven Month Period Ended July 31,					
	Electric		Water		Wastewater	
	2018	2017	2018	2017	2018	2017
Operating Revenue	\$ 12,471	\$ 11,070	\$ 1,481	\$ 1,374	\$ 1,608	\$ 1,496
Operating Expenses						
Purchased Power	6,609	7,025	-	-	-	-
Depreciation	1,054	974	542	398	858	820
Other Operating Expenses	2,417	2,165	1,026	989	1,310	1,155
Total Operating Expenses	10,080	10,164	1,568	1,387	2,168	1,975
Operating Income (Loss)	2,391	906	(87)	(13)	(560)	(479)
Nonoperating Revenue (Expense)	(131)	(124)	97	135	432	495
Transfers to City	(406)	(390)	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Net Change in Net Assets	\$ 1,854	\$ 392	\$ 10	\$ 122	\$ (128)	\$ 16
Meters in Service	8,027	8,006	4,866	4,811	4,699	4,653

Review of Other July 2018 Financial Information

Wicklund reviewed the June financials noting the Minnesota Power true-up credit.

City of Brainerd Contribution Rate

Wicklund noted that the current City of Brainerd contribution rate is 4 mils and it has been this rate since January 1, 2015. Staff recommendation is to increase the contribution rate to 4.5 mils effective January 1, 2019. The reason for the change is due to increased utility costs for the City for the past three years which has resulted in the net benefit to the City decreasing from approximately \$245,300 in 2016 to \$157,600 in 2018.

**Motion by Commissioner O'Day and seconded by Commissioner Matten to increase the City of Brainerd contribution mil rate effective January 1, 2019 to 4.5 mils. There was a unanimous roll call vote in favor of the motion. Motion carried.**

## BRAINERD PUBLIC UTILITIES COMMISSION MEETING November 24, 2015

### IS THE CUSTOMER'S RESPONSIBILITY TO PROVIDE A NEW CERTIFICATE EVERY 30 DAYS. FAILURE TO RENEW THE CERTIFICATE ENTITLES BPU TO START DISCONNECTION PROCEDURES.

- The customer cannot use their illness as a way not to pay their utility bill. The customer will be required to make a payment arrangement to pay their past due bill and keep the current charges paid.

### DECEASED CUSTOMERS

When BPU discovers that a BPU customer is deceased, the utility service(s) will be disconnected 30 days after finding out of the death, if BPU is not notified by the executor of the estate; or if another person moves into the deceased's residence and does not transfer the utility bill into his/her name.

### DISCONNECTION OF SERVICE WITHOUT NOTICE

BPU may disconnect service to any customer without further notice for the following reasons:

- In the event of unauthorized use, theft of power, and/or tampering (see Policy 2003-4) with BPU's equipment.
- In the event that a condition has been determined to be hazardous to the customer or other customers of BPU, BPU's equipment, or to the general public.
- When a customer is in violation of municipal, state, or national electric codes.
- When a customer has not complied with the requirements for application for service.

### TAMPERING WITH ELECTRIC METER

Stealing electricity is dangerous and against the law. Tampering with any electric facility, including the meter box and its seals is dangerous. Anyone who breaks the seal and tampers with the meter exposes him/herself to the risk of electrocution. Per BPU Policy No. 2003-4 BPU will administer a zero tolerance program for unauthorized use of utility meters. BPU has the authority to bring civil or criminal action per MN Statute 325E.026.

### *Status Update of Power Supply Discussions with Minnesota Power and Alternate Power Provider*

Mike Kumm Public Power Energy Services, LLC, updated the Commission on the current negotiations with Minnesota Power (MP) and the alternative provider. Received information regarding power costs for 2023 and beyond and the numbers look favorable.

**Motion by Commissioner Wroolie and seconded by Commissioner Matten to authorize drafting a power contract with alternate power provider pending review by BPU legal counsel. There was a unanimous roll call vote in favor of the motion. Motion carried.**

### *BPU Policy 2003-01-Contribution to City Policy*

Wicklund proposed revising BPU Policy 2003-01, Contribution to City Policy, changing the cash contribution rate from \$0.0035 to \$0.0040 per kWh. The last revision was in 2009.

**Motion by Commissioner Wroolie and seconded by Commissioner Samuelson to approve BPU Policy 2003-01 revision as proposed. There was a unanimous roll call vote in favor of the motion. Motion carried.**

BRAINERD PUBLIC UTILITIES

POLICY 2003-01

Adopted March 25, 2003

Revision No. 1 – January 25, 2005

Revision No. 2 – November 24, 2009

Revision No. 3 – November 24, 2015

CONTRIBUTION TO CITY POLICY

Brainerd Public Utilities (BPU) will make regular financial contributions to the City of Brainerd (City). These contributions will be made on a monthly basis based on retail sales by the BPU Electric Department. Retail sales by the Electric Department are defined as energy sales expressed in kilowatt-hours (kWh) to BPU retail electric

## **BRAINERD PUBLIC UTILITIES COMMISSION MEETING November 24, 2015**

customers. Energy sales to BPU retail electric customers do not include sales to any City facilities or any energy usage by BPU departments. The monthly BPU contribution will be a cash contribution to the City equal to \$0.0040 per kWh based on energy sales to retail electric customers in the previous month.

BPU will make no contribution to the City based on operations or sales by the BPU Water or Wastewater Departments. BPU will make no other contributions to the City (cash or services) other than the cash contribution based on retail electric sales.

BPU will bill the City for all utility services (electric, water and wastewater) at regular utility rates as set by the BPU Commission for applicable service to City facilities. The applicable rates for service to City facilities are subject to change as may be determined necessary by the BPU Commission.

### *Airport Utilities Extension Project and Related Debt Service*

Wicklund discussed the debt service for the Airport utilities extension project. BPU will issue the debt as 70% of the project is Utility related.

### *13021 Eagle Drive*

Closed on the property at 13021 Eagle Drive and staff have been cleaning up the property mowing and removing trees.

Council President Scheeler updated the Commission on discussions with Crow Wing County and the City of Baxter regarding annexation of property near Menard's. The Cities of Brainerd and Baxter surround the 3 parcels. Scheeler said that maybe BPU's Service Center property should be annexed into Brainerd at the same time.

### **Superintendent's Report**

Superintendent Magnuson reported on the following:

#### **Water Department**

- *Leaks/Breaks/Complaints* - none to report
- *Filtration Plant* – none
- *Projects*
  - Hydrant flushing – Fall flushing of hydrants is complete
  - Hydrant drain down – 12 hydrants are drained down before freeze-up

#### **Wastewater Treatment Department**

- WWTF/Projects
  - Jet Motive pumps shirring problem fins are wearing down manufacturing defect-staff noticed a hertz indication of issue starting and have requested MPCA requirement of running 3 cells change to 2 cells.
  - Sludge was applied to non-approved field in error. MPCA was notified and all appropriate soil and water tests have been completed.

#### **Electrical Department**

- *Outages/Interruptions/Complaints* – No major outages to report
- *Projects*
  - Northeast Brainerd – Work continues
  - Brainerd Industrial Center (BIC) new service updated
  - Tree trimming
  - New employees are working out well

#### **Hydro Department**

- *Projects* –
  - Replace wood decking with bar grating safer surface
  - Drive way paving next Spring to coordinate with BIC



# Public Utilities Commission Agenda Request

**MEETING DATE:** October 28, 2025

**TITLE OF ITEM:** Direction Requested on Donation of Paint of Main Lift Buildings

**ACTION REQUESTED:** Direction Requested

**ESTIMATED TIME (MIN):** 2

**SUBMITTED BY:** Danny Loch, Finance Manager,  
Charlie Gammon, Water/Wastewater Manager,  
Mike Habighorst, Public Works Director

**PRESENTER:** Danny Loch, Finance Manager, Charlie  
Gammon, Water/Wastewater Manager

**SUMMARY OF ISSUE:**

At the September Commission meeting a discussion began on a donation of paint from a local Rotarian. The Rotarian has offered to donate paint for the Main Lift Building located near Rotary Park. This is a materials-only donation; no labor will be provided. Formal acceptance of donations requires City Council approval, and the Commission's recommendation is needed before proceeding.

The Main Lift Building is currently included on the Project Priority List for the Clean Water Revolving Fund. The building is awaiting scoring and funding results for full replacement. If funded, painting and other exterior improvements would be addressed as part of that project. Any painting undertaken now may therefore be temporary.

Commission direction is requested on whether staff should recommend City Council accept the Rotarian's donation of paint at this time, recognizing the potential overlap with future replacement funding.

Staff will provide an update on the request for quotes from local vendors at the Commission meeting.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

**RECOMMENDED ACTION/MOTION:** Staff request direction from the Commission on how to proceed with the donation of paint request from a local Rotarian.

**FINANCIAL IMPACT:** unknown



# Public Utilities Commission Agenda Request

**MEETING DATE:** October 28, 2025

**TITLE OF ITEM:** Approve Rotary Park Solar Contract

**ACTION REQUESTED:** Approve/Deny Motion

**ESTIMATED TIME (MIN):** 3

**SUBMITTED BY:** Mike Habighorst, Public Works  
Director, Danny Loch, Finance Manager

**PRESENTER:** Danny Loch, Finance Manager

**SUMMARY OF ISSUE:**

The City Attorney has requested Commission approval of the final Rotary Park Solar Project agreement. This project was first proposed in July 2024 and advanced following a joint session between the Commission and Park Board in August 2024, where direction was provided to move forward with the installation.

The attached final agreement has been reviewed by Parks Department staff, and representatives from the Rotary Club. The final cost to the Commission is lower than the original estimate presented in July 2024, and the projected return on investment has improved due to both the reduced cost and updated production estimates. The agreement has been reviewed and approved by the City's legal counsel.

The project will be presented to the Park Board for final approval at their October 28, 2025 meeting following Commission consideration.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

**RECOMMENDED ACTION/MOTION:** Staff request that the Commission approve the final Rotary Park Solar Project agreement as presented, authorizing staff to proceed with execution and project implementation.

**FINANCIAL IMPACT:**

## SOLAR DEVELOPMENT AGREEMENT

THIS SOLAR DEVELOPMENT CONTRACT (“Contract”) dated as of September \_\_\_, 2025 by and between the City of **Brainerd** (“Owner”), Wolf Track Energy, LLC, a Minnesota Limited Liability Company (“Solar Developer”), and The Rotary Club of Brainerd, a Minnesota

Owner and Solar Developer, in consideration of the mutual covenants hereinafter set forth, agree as follows:

### Article 1. Work.

Solar Developer will perform the solar project management, finance and construction services identified in Exhibit “A” (“Work”) in accordance with the Contract Documents, as identified in Article 5 of this Contract on property located within **Rotary Riverside Park, Brainerd, Minnesota (46.341414, -94.214079)** as identified in Exhibit “C” (“Property”).

### Article 2. Contract Time.

The Work will be completed on or before **September 30<sup>th</sup>, 2025** (“Completion Date”), subject to modifications in approved Change Orders. Solar Developer’s estimated progress schedule identifying the various stages of the Work and the corresponding payments to be made to the Solar Developer is identified in Exhibit “B” (“Payment Schedule”).

### Article 3. Contract Price.

Owner will pay to Solar Developer an amount equal to **\$33,900.00** (“Contract Price”) for completion of the Work, see Exhibit “B.”

### Article 4. Change Orders.

Any increase or decrease in the Contract Price, change in the Work or change in the Contract Time must be set forth in a change order signed by Owner and Solar Developer (“Change Order”).

### Article 5. Contract Documents.

The Contract Documents which comprise the entire Contract between Owner and Solar Developer concerning the Work consist of this Contract, Exhibit “A,” Exhibit “B,” the blue prints, shop drawings, plans and specifications for the Work (“Plans”), an itemized description of each segment of the Work that sets the timetable for completing the Work, and the corresponding payments for the Work (“Work” and “Payment Schedule”) and any Change Orders. Concurrent with execution of this Agreement, Solar Developer shall provide Owner with a payment bond in an amount equal to the Contract Price, with the stipulation that the amount of the bond shall automatically change consistent with approved Change Orders.

## Article 6. Payment Procedures

6.1 **Progress Payments.** Solar Developer will submit to Owner a request for payment in a format agreed to by Owner and Solar Developer (“Request for Disbursement”) which will cover completed and inspected work consistent with Exhibit “B.” All payment requests will include lien waivers from subcontractors for the amount of their work included in the payment request.

Within ten calendar days after a Request for Disbursement is presented, Owner will notify Solar Developer if Owner has any concerns about the Request for Disbursement that Owner believes should be resolved before Owner pays the amounts specified in the Request for Disbursement, and, in this event, Owner and Solar Developer will promptly meet to address such concerns. Owner will pay Solar Developer ninety percent (90%) of the full amount covered by the Request for Disbursement within ten calendar days from the day it was presented while retaining ten percent (10%) thereof (“Holdback”) to be paid simultaneously with the final payment. Payment may be withheld for: (1) failure to perform the Work in accordance with the Contract Documents; (2) defective Work that is not corrected; or (3) failure of the Solar Developer to pay Subcontractors or to pay for labor, materials or equipment when due.

6.2 **Final Payment.** Final payment of the balance of the Contract Price including the Holdback will be made in accordance with Exhibit “B” and the following procedures:

a. When Solar Developer considers the Work substantially complete, Solar Developer will notify Owner in writing. Within a reasonable time thereafter, Owner and Solar Developer will inspect the Work. Promptly after such inspection, Owner will deliver to Solar Developer a written punch list of the items that must be completed in order for the Work to reach final completion (“Final Completion”). Alternatively, Owner will deliver to Solar Developer a written statement that Final Completion has been reached because no punch list items remain to be completed.

b. If Owner delivers a written punch list to Solar Developer, then Solar Developer will deliver to Owner a written notice that the Work is finally complete when Solar Developer believes that the punch list items have been completed. Then Owner and Solar Developer will promptly inspect the punch list items. Promptly after such inspection, Owner will deliver to Solar Developer either (i) a written statement that Final Completion has been reached or (ii) another written punch list of the items that still must be completed in order for the Work to reach Final Completion in which event the punch list procedure described above will be repeated until all punch list items have been completed.

c. When Final Completion has been reached and after Solar Developer has delivered to Owner all maintenance and operating instructions, schedules, guarantees, certificates of inspection, marked-up record documents and other documents, Solar Developer may make application for final payment following the procedure for progress payments. The final Request for Disbursement will be accompanied by all documentation called for in the Contract Documents, together with complete and legally effective releases or lien waivers (satisfactory to Owner) in connection with the Work.

## **Article 7. Interest.**

Payments due and unpaid to Solar Developer that are 30 days or more overdue will incur a 5% late fee.

## **Article 8. Solar Developer's Representation.**

In order to induce Owner to enter into this Contract, Solar Developer makes the following representation:

Solar Developer has familiarized itself with the nature and extent of the Contract Documents, Work site, locality, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the Work.

## **Article 9. Solar Developer's Responsibilities.**

9.1. **Performance.** Solar Developer will perform the Work in accordance with the Contract Documents. Solar Developer will be solely responsible for the means, methods, techniques, sequences and procedures of construction.

9.2. **Personnel.** Solar Developer will provide competent, suitable personnel to perform construction services as required by the Contract Documents. Solar Developer will at all times maintain good discipline and order at the Property.

9.3. **Furnished Items.** Solar Developer will furnish and be fully responsible for all materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water sanitary facilities, temporary facilities and all other facilities and incidentals necessary for the furnishing, performance, start-up and completion of the Work, except as specified in the Contract Documents.

9.4. **Materials.** All materials and equipment will be of good quality and new, except as otherwise provided in the Contract Documents. All materials and equipment will be applied, installed, connected, erected, used, cleaned and conditioned in accordance with the instructions of the applicable supplier.

9.5. **Subcontractors.** Solar Developer will be fully responsible to Owner for all acts and omissions of its subcontractors, suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with Solar Developer just as Solar Developer is responsible for Solar Developer's own acts and omissions. Nothing in the Contract Documents will create any contractual relationship between Owner and any such subcontractors, supplier or other person or organization, nor will it create any obligation on the part of Owner to pay any such subcontractors, supplier or other person or organization except as may otherwise be required by laws and regulations.

9.6. **Permits; Inspections.** Solar Developer will obtain and will pay for all construction permits and licenses unless otherwise agreed to by the Owner in writing. Solar Developer will pay all governmental charges and inspection fees necessary for the Work and arrange for all such inspections to occur if required. Solar Developer will give all notices and comply with all laws

and regulations applicable to furnishing and performance of the Work.

9.7. **Taxes.** Solar Developer will pay all sales, consumer, use and other similar taxes required to be paid by Solar Developer in accordance with the laws and regulations of the place of the Work which are applicable during the performance of the Work.

9.8. **Use of Premises.** Solar Developer will confine construction equipment, the storage of materials and equipment and the operations of workers to the Property and will not unreasonably encumber the Property with materials or equipment. Solar Developer will be fully responsible for any damage to the Property or areas contiguous thereto resulting from the performance of the Work. During the progress of the Work, Solar Developer will keep the Property free from accumulations of waste materials, rubbish and other debris resulting from the Work. At the completion of the Work, Solar Developer will remove all waste materials, rubbish and debris from and about the Property as well as all tools, appliances, construction equipment and machinery, and surplus materials, and will leave the Property clean and ready for occupancy by Owner.

9.9. **Record Documents.** Solar Developer will maintain in a safe place at the Property one record copy of all drawings, specifications, addenda, written amendments, Change Orders, and the like in good order and annotated to show all changes made during construction which will be delivered to Owner.

9.10. **Safety.** Solar Developer will be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Solar Developer will comply with all applicable laws and regulations relating to the safety of persons or property.

9.11. **Continuing the Work.** Solar Developer will carry on the Work and adhere to the progress schedule during all disputes or disagreements with Owner.

9.12. **Damage to the Work.** Solar Developer will repair or replace, at Solar Developer's sole expense, every portion of the Work that is damaged or destroyed prior to Final Completion and caused in whole or in part by the acts or omissions of Solar Developer. Notwithstanding the foregoing, Owner will bear the cost of such repair or replacement if the sole cause of the damage or destruction of the Work was Owner's negligence.

9.13. **Warranty.** Solar Developer warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. If within ten years after the date of Final Completion or such longer period of time as may be prescribed by laws or regulations or by the terms of any specific provision or applicable special guarantee in the Contract Documents, any Work is found to be defective, Solar Developer will promptly, without cost to Owner and in accordance with Owner's written instructions, promptly either correct such defective Work, or if it has been rejected by Owner, remove it from the Property and replace it with non-defective Work. If Solar Developer does not promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or the rejected Work removed and replaced, and all direct, indirect and consequential costs of such removal and replacement (including but not limited to fees and charges of engineers, architects, attorneys and other professionals) will be paid by Solar Developer.

9.14. **Indemnity and Hold Harmless.** Solar Developer will indemnify and hold harmless Owner against all loss, liability, cost expense, damage and economic detriment of any kind whatsoever that arises out of or results from performance of the Work but only to the extent caused in whole or in part by the acts or omissions of the Solar Developer.

9.15. **Related Work at Property.** Owner may perform other work at the Property which is not part of the Work by Owner's own forces or let other direct contracts therefore. Solar Developer will afford Owner's own forces and each other Solar Developer who is a party to such a direct contract proper and safe access to the Property and a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such work. Solar Developer will do all cutting, fitting and patching of the Work that may be required to make its several parts come together properly and integrate with such other work. Solar Developer will not endanger any work of others by cutting, excavating or otherwise altering their work and will only cut or alter their work with the written consent of Owner and the others whose work will be affected.

**Article 10. City of Brainerd's Responsibilities.**

- 10.1 Brainerd Public Utilities will pay Solar Developer \$11,028.00 upon scheduling of the solar installation date.
- 10.2 Brainerd Public Utilities will pay Solar Developer \$12,872.00 upon completion of installation.

**Article 11. Rotary Club's Responsibilities.**

- 11.1 Rotary Club of Brainerd will pay Solar Developer \$10,000.00 upon signing of the solar agreement.
- 11.2 After the warranty has ended, Rotary Club of Brainerd will replace any damaged, inoperative solar panels and lighting; also responsible for the decommission of solar panels and lighting.
- 11.3 This Article shall survive termination of this Agreement.

**Article 12. Insurance.**

**12.1.1 Solar Developer's Insurance.** Solar Developer will purchase and maintain the following insurance policies: (i) public liability insurance with limits of liability equal to at least \$300,000 per occurrence; (ii) workers' compensation insurance as required by applicable state law; (iii) automobile liability insurance as required by applicable state law and (iv) "all risk" builder's risk insurance in an amount equal to or greater than the Contract Price. Insurance under subparts (i) and (iv) shall list Owner as an additional insured.

**12.2 Owner's Insurance.** Owner will be responsible for purchasing and maintaining Owner's liability insurance and other reasonably appropriate insurance.

### **Article 13. Termination.**

**13.1 Termination by Owner.** If the Solar Developer breaches any of its obligations under this Agreement, then Owner may give Solar Developer written notification identifying such breach. If Solar Developer has not cured such breach within seven (7) calendar days from its receipt of Owner's written notification or if such breach cannot be cured within such seven (7) day period, then if Solar Developer either does not begin cure within such seven (7) day period or fails to diligently prosecute cure to completion, Owner may terminate this Contract and take possession of the Work. Alternatively, instead of terminating the Contract, Owner may cure the breach and deduct the cost thereof from amounts otherwise owed to the Solar Developer.

**13.2 Termination by Solar Developer.** If the Owner breaches any of its obligations under this Agreement, then Solar Developer may give Owner written notification identifying such breach. If Owner has not cured such breach within seven (7) calendar days from its receipt of Solar Developer's written notification, or if such breach cannot be cured within such seven (7) day period, then if Owner either does not begin cure within such seven (7) day period or fails to diligently prosecute cure to completion, Solar Developer may terminate this Contract.

### **Article 14. Miscellaneous.**

**14.1** Assignment of any rights or interests under this Contract will not be binding on any party to this Contract without the written consent of such party. Payments due under this Contract may not be assigned.

**14.2** Owner and Solar Developer each binds itself, its partners, successors, assigns and legal representatives, to the other party hereto, its partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

**14.3** This Contract and all issues, disputes and matters arising out of it will be governed by and construed in accordance with the law of the State of Minnesota, exclusive of that body of law governing conflicts of laws. Any claims arising out of this contract shall be brought in State District Court within Crow Wing County, State of Minnesota.

**14.4** Notwithstanding anything contained in this Agreement to the contrary, neither Party will be deemed liable or to be in default for any delay or failure in performance under this

Agreement deemed to result, directly or indirectly, from acts of God, acts of civil or military authority, acts of public enemy, war, or any like cause beyond its reasonable control unless such delay or failure in performance is expressly addressed elsewhere in this Agreement.

14.5 Owner hereby grant permission to Solar Developer to use its photographs or videos and other media relating to the work being performed on the Property taken or produced for Solar Developer’s marketing purposes including but not limited to website publications, social media channels, case study materials, print materials, or any other print and digital materials for Solar Developer .

Owner understands and agrees that Solar Developer owns all rights and publications to the aforementioned marketing materials and may use, edit, reproduce, and distribute these materials for any and all marketing purposes.

Owner hereby releases Solar Developer and its employees from any and all actions, claims, and causes of action that arise from or are in any way connected to such use of the marketing materials. Solar Developer will not use your nonpublic personal information including your personal property address and financial information.

**Article 13. Contingencies**

13.1. Ground Mount Solar Array. In the event Solar Developer discovers bedrock within 6.5 feet (78 inches) of the surface, Solar Developer will notify Owner of the discovery of bedrock and the ensuing change in installation procedure and price.

13.2. Contract Price does not include any upgrades required by the local utility company that are not specifically outlined in Exhibit A.

IN WITNESS WHEREOF, Owner and Solar Developer have signed this Contract.

This Contract will be effective on \_\_\_\_\_, 2025.

**BY:** \_\_\_\_\_  
**NAME:**  Dave Badeaux,  
Mayor  
**TITLE:**  City of Brainerd  
**DATE:** \_\_\_\_\_  
**BY:** \_\_\_\_\_  
**NAME:**  Simon Eddy  
**TITLE:**  Wolf Track Energy  
**DATE:** \_\_\_\_\_

**BY:** \_\_\_\_\_  
**NAME:**  Nicholas Broyles, City  
Administrator  
**TITLE:**  City of Brainerd  
**DATE:** \_\_\_\_\_  
**BY:** \_\_\_\_\_  
**NAME:**  Brian Andrews  
**TITLE:**  Rotary Club of Brainerd  
**DATE:** \_\_\_\_\_

## **EXHIBIT A CONSTRUCTION SERVICES**

The project scope includes the installation of a **9.7 kW-DC, 7.6 kW-AC** rated **roof-mounted** solar photovoltaic system at the Property.

This includes all equipment, labor, and construction materials needed to complete this project. Photovoltaic system shall consist of:

- (20) VSUN 485W Solar Modules
- (20) Enphase IQ8HC Microinverters
- (1) Flush Mounted racking, metal exposed fastener roofing attachments
- (1) Cell based Enphase monitoring, 5 year cell plan included
- (1) 75' trench and wire run to point of interconnection
- (1) All Electrical Labor
- (1) Permitting
- (1) Interconnection Application

System shall be supported by Premium Grade aluminum mounting system, and other balance of system (BOS) components, including but not limited to Solar Performance Meter Box (if required), AC disconnect, and electrical hardware (circuit breakers, wire, conduit, junction boxes, etc.).

All equipment will be installed as required by applicable codes, the local utility company, and Homeowner's Association guidelines (if applicable). During daylight hours this photovoltaic system (solar electric) will provide electricity in parallel with the local utility service provider. Or to Batteries in a Stand-Alone system.

At completion of work remove all waste, debris, rubbish, tools, equipment, machinery and surplus materials.

Solar Developer shall not be responsible for landscaping improvement services as part of this contract.

**EXHIBIT B  
PAYMENT SCHEDULE**

Purchaser shall pay Solar Developer for the materials and labor to be performed under this agreement in an amount of: **\$33,900.00**

Contractor shall invoice for, and purchaser shall make, payments under this contract in accordance with the following schedule:

\$10,000 is due upon signing of this agreement;  
(to be paid by the Rotary Club of Brainerd, used for purchase of materials)

\$11,028.00 is due upon scheduling of solar installation date;  
(to be paid by Brainerd Public Utilities)

\$12,872.00 is due upon completion of Solar Modules installation (roof or ground mount) and all connecting circuitry. Dissemination of appropriate documents, warranties, approved final inspection.  
(to be paid by Brainerd Public Utilities)

Payment shall be made to the order of Wolf Track Energy, in one of four ways: (1) check, (2) credit card (2.9% fee applies), (3) cashier's check, (4) ACH bank transfer.

# EXHIBIT C

## ROTARY PARK - SITE PLAN



Year	Rotary Solar		Kwh Rate	0.08282	Rev Calc
	BPU Cost	25,730.00	Est kWh per year	10,500	869.61
	Annual Rev	ROI	Est mWh per year	10.5	262.5
1	869.61	24,860.39			
2	865.26	23,995.13			
3	860.94	23,134.19			
4	856.63	22,277.56			
5	852.35	21,425.21			
6	848.09	20,577.13			
7	843.85	19,733.28			
8	839.63	18,893.66			
9	835.43	18,058.23			
10	831.25	17,226.98			
11	827.09	16,399.88			
12	822.96	15,576.92			
13	818.84	14,758.08			
14	814.75	13,943.33			
15	810.68	13,132.65			
16	806.62	12,326.03			
17	802.59	11,523.44			
18	798.58	10,724.86			
19	794.58	9,930.28			
20	790.61	9,139.66			
21	786.66	8,353.01			
22	782.73	7,570.28			
23	778.81	6,791.47			
24	774.92	6,016.55			
25	771.04	5,245.51			
26	767.19	4,478.32			
27	763.35	3,714.97			
28	759.53	2,955.44			
29	755.74	2,199.70			
30	751.96	1,447.74			
31	748.20	699.54			
32	744.46	(44.92)			
33	740.74	(785.65)			
34	737.03	(1,522.68)			
35	733.35	(2,256.03)			
36	729.68	(2,985.71)			
37	726.03	(3,711.74)			
38	722.40	(4,434.14)			
39	718.79	(5,152.93)			
40	715.20	(5,868.13)			

Cost per mWh \$ 98.02

Rotary Park Cost	
Project Cost - Panels	33,900
BPU Materials	10,000
BPU Labor	5,000
Esitmated Project Cost -	48,900
Rotary Funds	(10,000)
Solar Rebates	(13,170)
BPU Cost	25,730

Year	Rotary Solar		Kwh Rate	0.08598 Rev Calc	
	BPU Cost	29,384.00	Est kWh	10,500	902.79
	Annual Rev	ROI	Est mWh	10.5	262.5
1	902.79	28,481.21		<b>Est. Cost per Mwh \$</b>	<b>111.94</b>
2	898.28	27,582.93			
3	893.78	26,689.15			
4	889.32	25,799.83			
5	884.87	24,914.96			
6	880.44	24,034.52			
7	876.04	23,158.48			
8	871.66	22,286.81			
9	867.30	21,419.51			
10	862.97	20,556.54			
11	858.65	19,697.89			
12	854.36	18,843.53			
13	850.09	17,993.44			
14	845.84	17,147.61			
15	841.61	16,306.00			
16	837.40	15,468.60			
17	833.21	14,635.38			
18	829.05	13,806.34			
19	824.90	12,981.44			
20	820.78	12,160.66			
21	816.67	11,343.99			
22	812.59	10,531.40			
23	808.53	9,722.87			
24	804.48	8,918.38			
25	800.46	8,117.92			
26	796.46	7,321.46			
27	792.48	6,528.99			
28	788.51	5,740.47			
29	784.57	4,955.90			
30	780.65	4,175.25			
31	776.75	3,398.50			
32	772.86	2,625.64			
33	769.00	1,856.64			
34	765.15	1,091.49			
35	761.33	330.16			
36	757.52	(427.36)			

Roatary Park Cost	
Project Cost - Panels	39,120
BPU Materials	10,000
BPU Labor	5,000
<b>Esitmated Project Cost -</b>	<b>54,120</b>
Rotary Funds	(10,000)
Solar Rebates	(14,736)
BPU Cost	29,384



# Public Utilities Commission Agenda Request

**MEETING DATE:** October 28, 2025

**TITLE OF ITEM:** Discuss Preliminary 2026 Budget

**ACTION REQUESTED:** Discussion Item

**ESTIMATED TIME (MIN):** 10

**SUBMITTED BY:** Danny Loch, Finance Manager

**PRESENTER:** Danny Loch, Finance Manager

**SUMMARY OF ISSUE:**

Attached for Commission review is the draft 2026 Operating Budget for all utility departments. The budget reflects updated projections for year-end 2025 and proposed funding levels for 2026 operations across the Electric, Water, and Wastewater utilities.

Overall, the preliminary 2026 budget projects total revenues of approximately \$39.7 million and total expenses of \$39.6 million, resulting in a slight positive change in net position of roughly \$108,000. Key variances are driven by changes in purchased power, wage adjustments tied to staffing and contracts, and moderate operational cost increases related to maintenance and capital support.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

**Notable Trends and Considerations:**

- **Electric Department:** Purchased power remains the largest single expense, budgeted at \$20 million, consistent with 2025 AEP billing summaries. Revenues reflect stable customer growth but some volatility in industrial and large commercial sales compared to 2024.
- **Water Department:** Revenues are projected to rise with rate increases that occurred from the December 2024 action, and reflect positively for future budget outcomes. Expenses remain elevated due to operational costs at the water plant and distribution maintenance.
- **Wastewater Department:** Maintains solid operating margins with stable Baxter and Brainerd service revenue and local option sales tax proceeds supporting system investments.
- **Labor and Benefits:** Salaries and wages remain among the fastest-growing expense categories, with continued benefit cost pressure across all departments.
- **Transfers and Debt:** Cash transfers to the City total approximately \$844,000, and interest expenses are expected to decline modestly.

**RECOMMENDED ACTION/MOTION:** Discuss any feedback with staff for potential efficiencies or further reductions in any particular areas, following Commission feedback staff will refine the draft and return with a final operating budget for approval at the next Commission meeting.

**FINANCIAL IMPACT:**

# Preliminary Operating Budget 2026



**Brainerd Public Utilities  
Summary of 2026 Operating Budget  
Combined All Departments**

				2025		2025 Favorable (Unfavorable) Variance	2026 Budget
	2022	Actual 2023	2024	Projected Actual	Budget		
<b>Utility Revenue</b>							
Residential	\$ 9,561,816	\$ 9,920,264	\$ 9,510,829	\$ 10,367,755	\$ 10,352,500	\$ 15,255	\$ 10,735,000
Commercial	18,174,299	20,417,355	24,868,445	26,061,559	27,637,600	(1,576,041)	26,286,900
<b>Total Utility Revenue</b>	<b>27,736,115</b>	<b>30,337,619</b>	<b>34,379,274</b>	<b>36,429,313</b>	<b>37,990,100</b>	<b>(1,560,787)</b>	<b>37,021,900</b>
<b>Other Revenue</b>							
Local Option Sales Tax Proceeds - Brainerd	1,539,391	1,453,667	1,430,028	1,893,340	1,472,400	420,940	1,472,400
Local Option Sales Tax Proceeds - Baxter	401,500	423,641	454,476	348,693	422,400	(73,707)	422,400
Interest Revenue Investments	(671,411)	395,522	568,540	498,693	119,200	379,493	119,200
Interest Revenue - Notes Receivable	117,505	121,159	104,659	78,700	-	78,700	-
Federal Grant Revenue - Build America Bond	77,558	70,570	91,095	90,000	62,400	27,600	75,000
Other Revenue	1,347,042	697,323	1,181,250	1,085,821	665,000	420,821	577,300
Contributed Capital	-	-	-	-	-	-	-
<b>Total Other Revenue</b>	<b>2,811,585</b>	<b>3,161,882</b>	<b>3,830,048</b>	<b>3,995,248</b>	<b>2,741,400</b>	<b>1,253,848</b>	<b>2,666,300</b>
<b>Total Revenue</b>	<b>30,547,700</b>	<b>33,499,501</b>	<b>38,209,322</b>	<b>40,424,561</b>	<b>40,731,500</b>	<b>(306,939)</b>	<b>39,688,200</b>
<b>Expenses</b>							
Purchased Power	12,256,210	13,781,295	18,705,358	22,334,075	19,960,000	(2,374,075)	20,000,000
Salaries and Wages	4,593,642	4,700,500	4,347,145	5,259,965	5,930,980	671,015	5,646,800
Operations and Maintenance	2,942,926	3,322,378	3,206,338	3,203,564	3,558,360	355,251	4,005,310
Employee Benefits	2,000,112	1,877,788	1,409,398	1,646,149	1,963,000	316,851	1,763,247
Other Charges	966,987	1,281,546	1,498,737	1,669,597	1,479,570	(190,027)	1,016,120
Depreciation	5,262,875	5,249,244	5,372,962	5,373,600	5,248,500	(125,100)	5,516,550
Interest Expense - Bonds	946,648	827,164	819,515	768,664	822,800	54,136	787,800
Cash Transfers to City	756,373	783,245	765,150	785,972	816,000	30,028	843,900
<b>Total Expenses</b>	<b>29,725,773</b>	<b>31,823,160</b>	<b>36,124,603</b>	<b>41,041,587</b>	<b>39,779,210</b>	<b>(1,261,922)</b>	<b>39,579,727</b>
<b>Change in Net Position</b>	<b>\$ 821,927</b>	<b>\$ 1,676,341</b>	<b>\$ 2,084,719</b>	<b>\$ (617,026)</b>	<b>\$ 952,290</b>	<b>\$ (1,568,861)</b>	<b>\$ 108,473</b>

**Brainerd Public Utilities  
2026 Operating Budget  
Electric Department**

	Actual			2025		2025 Variance Positive (Negative)	2026 Budget
	2022	2023	2024	Projected Actual	Budget		
<b>Electric Department</b>							
<b>Revenue</b>							
<u>Utility Revenue</u>							
Residential	\$ 6,591,857	\$ 6,832,295	\$ 6,342,943	\$ 6,779,293	\$ 6,960,000	\$ (180,707)	\$ 7,050,000
Commercial	10,128,886	10,583,243	10,019,998	10,587,992	10,620,000	(32,008)	10,500,000
Large Commercial	3,218,293	2,677,238	2,359,672	2,047,675	2,748,000	(700,325)	2,180,000
Industrial	506,772	2,749,837	7,706,570	8,430,012	9,000,000	(569,988)	8,400,000
City of Brainerd	349,837	361,491	346,350	359,455	362,400	(2,945)	350,000
BPU	760,117	820,176	751,384	747,351	780,000	(32,649)	770,000
Total Utility Revenue	21,555,762	24,024,280	27,526,917	28,951,777	30,470,400	(1,518,623)	29,250,000
<u>Other Revenues</u>							
Late Payment Penalties	111,151	136,974	142,490	171,961	102,000	69,961	130,000
Permits and Fees	36,849	47,298	32,625	35,400	30,000	5,400	30,000
Bad Debt Recoveries	5,329	2,596	805	387	6,000	(5,613)	2,500
Interest Revenue	(235,020)	89,702	137,805	29,475	9,600	19,875	9,600
Rental Revenue	74,718	1,300	54,675	5,649	12,000	(6,351)	8,000
Gain (Loss) on Sale of Capital Assets	33,954	8,584	20,496	4,840	1,200	3,640	1,200
Refunds and Reimbursements	11,385	9,113	29,014	484,265	3,600	480,665	3,600
Bond Premium	60,589	14,233	12,092	10,472	13,200	(2,728)	13,200
Grant Revenue	-	-	-	-	-	-	-
Sale of Renewable Energy Credits	-	-	-	-	-	-	-
Other Non-Operating Revenue	118,476	225,309	307,812	122,003	176,800	(54,797)	100,000
Total Other Revenue	217,431	535,109	737,814	864,452	354,400	510,052	298,100
Total Revenue	21,773,193	24,559,389	28,264,731	29,816,229	30,824,800	(1,008,571)	29,548,100
<b>Expenses</b>							
<u>Purchased Power</u>							
	12,256,210	13,781,295	18,705,358	22,334,075	19,960,000	(2,374,075)	20,000,000
<u>Generation and Distribution</u>							
<u>Salaries and Wages</u>							
Regular Wages	1,293,592	1,353,790	1,051,348	1,670,175	2,258,800	588,625	2,331,200
Overtime Wages	196,274	184,354	217,128	204,633	-	(204,633)	-
Double Overtime Wages	58,346	35,038	44,651	46,268	-	(46,268)	-
Vacation Pay	163,362	147,489	174,430	151,905	-	(151,905)	-
Sick Pay	45,644	56,231	94,379	39,227	-	(39,227)	-
Services to the City	74,861	69,947	56,576	57,405	-	(57,405)	-
Less: Wages Capitalized	-	-	-	-	-	-	-
	1,832,079	1,846,849	1,638,512	2,169,613	2,258,800	89,187	2,331,200
<u>Operations and Maintenance</u>							
Communications	4,630	2,228	2,245	848	3,700	2,852	3,700
Utilities	12,815	12,820	8,479	10,595	13,200	2,605	13,200
Small Tools and Supplies	66,767	66,921	57,783	52,516	63,600	11,084	63,600
Personal Protection Equipment	22,780	24,804	43,158	22,183	38,000	15,817	38,000
Motor Fuels	65,220	66,905	52,953	46,904	63,600	16,696	65,400
<u>Maintenance and Repair</u>							
Equipment	108,083	77,587	61,867	208,253	148,800	(59,453)	123,000
Buildings	26,810	9,920	10,786	31,040	33,200	2,160	23,200
Other	127,119	71,364	124,473	15	124,100	124,085	124,100
Street Lights	28,231	35,434	49,071	59,577	57,600	(1,977)	60,000
Maintenance Agreements	310	-	1,058	1,456	1,000	(456)	1,000
Cleaning and Waste Removal	16,014	4,738	8,530	3,951	5,400	1,449	9,200
Testing and Monitoring	9,211	9,388	7,893	3,997	8,000	4,003	9,500
IT System Expenses	-	165	4,993	308	5,000	4,692	5,000
Consulting Services	2,846	10,320	-	-	81,600	81,600	131,600
Other Services	14,352	15,297	6,553	8,869	10,400	1,531	14,400
	505,188	407,891	439,842	450,512	657,200	206,688	684,900
<u>Employee Benefits</u>							
Employee Benefits	\$ -	\$ -	\$ -	\$ 6,615	\$ 1,200	\$ (5,415)	\$ 8,086
Pension	132,957	133,195	130,974	138,765	141,600	2,835	174,841
Health Insurance	297,416	267,825	278,111	228,651	249,600	20,949	257,128
Payroll Taxes	135,021	129,978	130,125	135,719	144,000	8,281	187,545
	565,394	530,998	539,210	509,749	536,400	26,651	627,600
<u>Other Charges</u>							
Licenses and Permits	38,511	4,898	14,402	19,900	21,800	1,900	21,800
Travel and Conferences	36,059	65,631	38,017	31,200	51,600	20,400	51,600
Miscellaneous	400	26,834	1,800	4,020	1,200	(2,820)	1,200
	74,970	97,363	54,219	55,120	74,600	19,480	74,600
<u>Depreciation and Amortization</u>							
	2,092,585	2,095,599	2,182,330	2,182,800	2,041,800	(141,000)	2,227,000
Total Generation and Distribution	5,070,216	4,978,700	4,854,113	5,367,795	5,568,800	201,005	5,945,300

**Brainerd Public Utilities  
2026 Operating Budget  
Electric Department (Continued)**

	Actual			2025		2025 Variance Positive (Negative)	2026 Budget
	2022	2023	2024	Projected Actual	Budget		
<b>Administration</b>							
<u>Salaries and Wages</u>							
Regular Wages	634,642	603,446	572,304	619,600	1,122,300	502,700	1,009,700
Overtime Wages	20,447	12,876	14,729	10,545	-	(10,545)	-
Vacation Pay	73,656	77,698	78,273	71,571	-	(71,571)	-
Sick Pay	49,247	60,028	69,145	52,964	-	(52,964)	-
Board Member Salaries	6,586	6,270	6,376	5,501	7,300	1,799	16,200
	<u>784,578</u>	<u>760,318</u>	<u>740,827</u>	<u>760,181</u>	<u>1,129,600</u>	<u>369,419</u>	<u>1,025,900</u>
<u>Operations and Maintenance</u>							
Communications	58,384	68,293	93,595	103,105	84,600	(18,505)	103,400
Utilities	36,345	40,153	28,407	42,885	43,200	315	43,200
Small Tools and Supplies	13	68	749	-	1,200	1,200	1,200
Personal Protection Equipment	60	92	92	-	-	-	-
Motor Fuels	6,246	-	6	-	-	-	-
<u>Maintenance and Repair</u>							
Equipment	5,414	8,158	14,660	9,083	13,900	4,817	13,900
Buildings	12,179	4,626	4,772	8,192	9,800	1,608	9,800
Other	66	-	-	-	-	-	-
Maintenance Agreements	115,351	160,414	172,857	188,553	158,400	(30,153)	170,500
IT System Services	33,254	28,371	26,368	10,428	31,600	21,172	31,600
Consulting Services	133,843	194,630	237,522	195,412	250,500	55,088	250,500
Human Resource Services	55,920	46,554	50,399	65,301	60,480	(4,821)	60,480
Office Supplies	11,624	10,521	11,329	5,309	12,000	6,691	12,000
Other Services	45,828	25,822	38,594	12,324	28,000	15,676	39,600
	<u>514,527</u>	<u>587,702</u>	<u>679,350</u>	<u>640,593</u>	<u>693,680</u>	<u>53,087</u>	<u>736,180</u>
<u>Employee Benefits</u>							
Employee Benefits	23,143	29,323	25,176	96,488	35,800	(60,688)	27,200
Pension	312,185	216,905	(60,069)	52,253	122,400	70,147	76,943
Health Insurance	192,987	212,291	211,720	208,125	296,000	87,875	199,382
Payroll Taxes	54,977	56,151	51,901	50,075	66,000	15,925	82,535
	<u>583,292</u>	<u>514,670</u>	<u>228,728</u>	<u>406,941</u>	<u>520,200</u>	<u>113,259</u>	<u>386,060</u>
<u>Other Charges</u>							
General and Worker Comp. Insurance	170,377	232,445	233,165	300,949	267,800	(33,149)	267,800
Dues and Subscriptions	65,445	108,577	101,880	126,936	109,200	(17,736)	109,200
Licenses and Permits	41,289	8,553	20,332	10,196	12,000	1,804	12,000
Travel and Conferences	12,325	19,415	13,737	8,745	32,200	23,455	32,200
Miscellaneous	268	550	-	-	-	-	-
Bank Charges	4,671	-	567	4	-	(4)	-
Credit Card Transaction Fees	206,031	247,898	432,677	501,492	350,000	(151,492)	50,000
Interest Expense - Other	14,921	34,624	29,099	20,900	15,600	(5,300)	30,000
Interest Expense - Bonds	211,773	183,426	153,260	126,416	156,800	30,384	119,200
Bond Issuance Costs	-	-	-	-	-	-	-
Cash Transfers to City	756,373	783,245	765,150	785,972	816,000	30,028	843,900
Amortization of Deferred Charges	-	34,966	34,966	34,965	37,200	2,235	37,200
Bad Debts	13,883	-	21,354	(5,928)	18,000	23,928	18,000
	<u>1,497,356</u>	<u>1,653,699</u>	<u>1,806,187</u>	<u>1,910,648</u>	<u>1,814,800</u>	<u>(95,848)</u>	<u>1,519,500</u>
<u>Depreciation</u>	<u>167,899</u>	<u>153,160</u>	<u>173,611</u>	<u>174,000</u>	<u>136,900</u>	<u>(37,100)</u>	<u>181,100</u>
Total Administration	<u>3,547,652</u>	<u>3,669,549</u>	<u>3,628,703</u>	<u>3,892,364</u>	<u>4,295,180</u>	<u>402,816</u>	<u>3,848,740</u>
Total Expenses	<u>20,874,078</u>	<u>22,429,544</u>	<u>27,188,174</u>	<u>31,594,234</u>	<u>29,823,980</u>	<u>(1,770,254)</u>	<u>29,794,040</u>
Change in Net Position	<u>\$ 899,115</u>	<u>\$ 2,129,845</u>	<u>\$ 1,076,557</u>	<u>\$ (1,778,004)</u>	<u>\$ 1,000,820</u>	<u>\$ (2,778,824)</u>	<u>\$ (245,940)</u>

**Brainerd Public Utilities  
2026 Operating Budget  
Water Department**

	Actual			2025		2025 Variance Positive (Negative)	2026 Budget
	2022	2023	2024	Projected Actual	Budget		
	<b>Water Department</b>						
<b>Revenue</b>							
<u>Utility Revenue</u>							
Residential	\$ 1,564,247	\$ 1,649,491	\$ 1,612,865	\$ 1,974,489	\$ 1,826,500	\$ 147,989	\$ 1,935,000
Commercial	1,506,912	1,397,676	1,668,074	1,819,061	1,929,600	(110,539)	2,000,000
City of Brainerd	124,465	138,721	126,042	154,120	149,300	4,820	150,000
BPU	87,587	105,950	94,482	142,851	111,700	31,151	113,300
Total Utility Revenue	3,283,211	3,291,838	3,501,463	4,090,521	4,017,100	73,421	4,198,300
<u>Other Revenues</u>							
Late Payment Penalties	20,861	25,270	27,920	35,729	20,400	15,329	20,400
Permits and Fees	2,400	6,238	3,200	5,267	4,000	1,267	4,000
Credit Card Processing Revenue	-	-	-	-	-	-	-
Local Option Sales Tax Proceeds - Baxter	323,758	348,693	366,513	348,693	349,200	(507)	349,200
Bad Debt Recoveries	297	1,149	3,798	5,541	1,800	3,741	1,800
Interest Revenue	(24,837)	34,116	32,008	11,155	9,600	1,555	9,600
Bond Premium	302,366	147,834	129,815	122,441	147,600	(25,159)	147,600
PERA Aid Revenue	-	-	19,035	-	-	-	-
Gain (Loss) on Sale Capital Assets	11,157	-	831	-	-	-	-
Refunds and Reimbursements	(59)	(251)	129	-	-	-	-
Grant Revenue	-	-	-	-	-	-	-
Rental Revenue	590	-	880	267	-	267	-
Water Assessments	-	-	6,817	3,961	-	3,961	-
Other Revenue	-	28,210	250,754	25,865	59,400	(33,535)	28,000
Contributed Capital	-	-	-	-	-	-	-
Total Other Revenue	636,533	591,259	841,700	558,920	592,000	(33,080)	560,600
Total Revenue	3,919,744	3,883,097	4,343,163	4,649,441	4,609,100	40,341	4,758,900
<b>Expenses</b>							
<u>Production</u>							
<u>Salaries and Wages</u>							
Regular Wages	310,003	385,482	279,839	318,381	517,600	199,219	434,700
Overtime Wages	33,035	19,410	29,099	37,460	-	(37,460)	-
Double Overtime Wages	11,237	23,028	19,910	11,561	-	(11,561)	-
Vacation Pay	24,180	27,585	39,359	24,209	-	(24,209)	-
Sick Pay	31,763	12,167	44,381	13,355	-	(13,355)	-
	410,218	467,672	412,588	404,967	517,600	112,633	434,700
<u>Operations and Maintenance</u>							
Communications	2,554	2,514	3,067	1,819	3,800	1,981	3,800
Utilities	114,201	116,447	104,750	105,660	121,200	15,540	121,200
Small Tools and Supplies	16,951	31,589	756	3,828	19,200	15,372	10,500
Personal Protection Equipment	-	-	2,127	15,063	2,000	(13,063)	2,000
Maintenance and Repairs							
Equipment	18,412	59,359	34,199	17,205	26,400	9,195	47,800
Buildings	855	3,568	733	9,480	1,200	(8,280)	1,200
Other	-	-	-	-	-	-	-
Cleaning and Waste Removal	-	-	-	133	-	(133)	-
Testing and Monitoring	7,953	9,075	10,127	8,337	9,600	1,263	9,600
Chemicals	-	-	75,009	109,183	66,000	(43,183)	138,500
Printing and Publishing	1,000	-	-	-	-	-	-
Consulting Services	-	-	35,061	10,591	-	(10,591)	20,000
Other Commodities	100,679	112,130	32,853	991	28,800	27,809	30,000
Office Supplies	1,236	508	-	-	1,200	1,200	1,200
	263,841	335,190	298,682	282,289	279,400	(2,889)	385,800
<u>Employee Benefits</u>							
Employee Benefits	-	452	-	2,521	-	(2,521)	-
Pension	30,213	34,269	32,507	28,477	40,800	12,323	32,603
Health Insurance	88,804	103,482	80,019	71,356	94,800	23,444	87,076
Payroll Taxes	27,490	32,320	31,079	26,605	40,800	14,195	34,972
	146,507	170,523	143,605	128,960	176,400	47,440	154,651
<u>Other Charges</u>							
Licenses and Taxes	-	591	566	1,867	720	(1,147)	720
<u>Depreciation</u>	278,444	182,021	209,280	208,800	267,600	58,800	225,000
Total Production	1,099,010	1,155,997	1,064,721	1,026,883	1,241,720	214,837	1,200,871

**Brainerd Public Utilities  
2026 Operating Budget  
Water Department (Continued)**

	Actual			2025		2025 Variance Positive (Negative)	2026 Budget
	2022	2023	2024	Projected Actual	Budget		
<b>Water Department (Continued)</b>							
<b>Expenses (Continued)</b>							
<b>Distribution</b>							
<u>Salaries and Wages</u>							
Regular Wages	433,748	452,727	439,857	538,161	591,700	53,539	468,000
Overtime Wages	36,469	51,470	50,197	45,335	-	(45,335)	-
Double Overtime Wages	1,164	4,895	3,745	4,320	-	(4,320)	-
Vacation Pay	42,791	53,107	54,438	61,593	-	(61,593)	-
Sick Pay	25,182	12,798	16,038	26,723	-	(26,723)	-
Less: Wages Capitalized	-	-	-	-	-	-	-
	<u>539,354</u>	<u>574,997</u>	<u>564,275</u>	<u>676,132</u>	<u>591,700</u>	<u>(84,432)</u>	<u>468,000</u>
<u>Operations and Maintenance</u>							
Communications	1,057	3,848	451	912	2,400	1,488	2,400
Utilities	75,982	74,017	65,507	69,281	64,400	(4,881)	64,400
Small Tools and Supplies	16,841	21,657	27,311	8,205	21,600	13,395	21,600
Personal Protection Equipment	5,490	6,756	2,691	11,787	4,800	(6,987)	4,800
Motor Fuels	24,285	20,241	17,381	15,641	19,200	3,559	19,200
Maintenance and Repair							
Equipment	52,277	18,508	41,851	17,435	36,000	18,565	36,000
Buildings	8,547	4,127	4,236	8,279	4,800	(3,479)	4,800
Other	45,800	76,125	30,648	37,380	36,400	(980)	36,400
Maintenance Agreements	-	-	529	728	-	(728)	-
Cleaning and Waste Removal	2,560	2,213	1,766	2,015	2,400	385	2,400
Testing and Monitoring	-	142	-	1,364	-	(1,364)	-
Printing and Publishing	-	-	-	-	-	-	-
Consulting Services	42,230	119,019	81,400	-	78,000	78,000	78,000
Other Commodities	13,035	7,732	8,419	5,083	7,200	2,117	7,200
Office Supplies	-	323	31	193	600	407	600
IT System Expenses	-	65	-	-	-	-	-
Other Services	743	12,317	658	1,275	1,200	(75)	1,200
	<u>288,847</u>	<u>367,090</u>	<u>282,879</u>	<u>179,577</u>	<u>279,000</u>	<u>99,423</u>	<u>279,000</u>
<u>Employee Benefits</u>							
Employee Benefits	\$ -	\$ -	\$ 163	\$ 451	\$ -	\$ (451)	\$ -
Pension	40,690	40,868	41,971	46,327	45,600	(727)	35,100
Health Insurance	89,100	84,531	68,434	72,764	108,000	35,236	40,823
Payroll Taxes	40,258	40,104	41,911	45,253	45,600	347	37,651
	<u>170,048</u>	<u>165,503</u>	<u>152,479</u>	<u>164,795</u>	<u>199,200</u>	<u>34,405</u>	<u>113,574</u>
<u>Other Charges</u>							
Dues and Subscriptions	300	775	1,000	1,380	1,200	(180)	1,200
Licenses and Taxes	576	6,544	13,214	15,264	15,000	(264)	15,000
Travel and Conferences	14,854	16,998	3,593	10,455	9,400	(1,055)	9,400
Miscellaneous	-	-	-	25	-	(25)	-
	<u>15,730</u>	<u>24,317</u>	<u>17,807</u>	<u>27,124</u>	<u>25,600</u>	<u>(1,524)</u>	<u>25,600</u>
<u>Depreciation</u>							
	<u>828,581</u>	<u>1,024,685</u>	<u>1,063,851</u>	<u>1,064,400</u>	<u>1,032,900</u>	<u>(31,500)</u>	<u>1,075,000</u>
Total Distribution	1,842,560	2,156,592	2,081,291	2,112,028	2,128,400	16,372	1,961,174
<b>Administration</b>							
<u>Salaries and Wages</u>							
Regular Wages	230,256	217,003	202,975	209,329	424,200	214,871	391,500
Overtime Wages	7,228	4,255	4,920	3,643	-	(3,643)	-
Doubletime Wages	12	179	101	151	-	(151)	-
Vacation Pay	26,824	28,359	28,021	26,043	-	(26,043)	-
Sick Pay	17,307	20,605	24,453	18,617	-	(18,617)	-
Board Member Salaries	2,195	2,090	2,125	1,833	4,190	2,357	5,400
	<u>283,822</u>	<u>272,491</u>	<u>262,595</u>	<u>259,616</u>	<u>428,390</u>	<u>168,774</u>	<u>396,900</u>

**Brainerd Public Utilities  
2026 Operating Budget  
Water Department (Continued)**

	Actual			2025		2025 Variance Positive (Negative)	2026 Budget
	2022	2023	2024	Projected Actual	Budget		
<b>Water Department (Continued)</b>							
<b>Expenses (Continued)</b>							
<b>Administration (Continued)</b>							
<u>Operations and Maintenance</u>							
Communications	20,012	22,178	29,810	33,641	26,600	(7,041)	26,600
Utilities	14,161	15,143	9,893	15,565	15,600	35	15,600
Small Tools and Supplies	13	57	250	-	-	-	-
Personal Protection Equipment	185	31	31	-	-	-	-
Maintenance and Repair							
Equipment	7,438	3,282	6,350	3,375	3,600	225	3,600
Buildings	10,998	4,084	4,551	7,749	4,800	(2,949)	4,800
Other	-	-	-	-	-	-	-
Maintenance Agreements	32,030	43,943	33,131	75,940	39,600	(36,340)	39,600
IT System Services	11,766	11,722	8,450	3,185	9,600	6,415	9,600
Cleaning and Waste Removal	733	1,072	804	640	1,200	560	1,200
Printing and Publishing	13,604	5,760	12,952	1,872	10,000	8,128	10,000
Consulting Services	78,559	149,970	121,302	51,055	86,400	35,345	200,000
Human Resource Services	11,990	15,518	16,800	21,331	22,500	1,169	22,500
Other Commodities	888	723	446	305	600	295	600
Office Supplies	3,812	4,114	3,699	1,873	3,400	1,527	3,400
Other Services	1,143	1,103	2,679	951	2,900	1,949	2,900
	<u>207,332</u>	<u>278,700</u>	<u>251,148</u>	<u>217,483</u>	<u>226,800</u>	<u>9,317</u>	<u>340,400</u>
<u>Employee Benefits</u>							
Employee Benefits	160	3,702	6,132	-	7,200	7,200	7,200
Pension	105,153	73,251	(18,843)	18,001	48,000	29,999	29,768
Health Insurance	71,479	72,608	81,618	80,300	88,800	8,500	76,749
Payroll Taxes	19,059	19,577	19,177	17,169	22,800	5,631	31,931
	<u>195,851</u>	<u>169,138</u>	<u>88,084</u>	<u>115,471</u>	<u>166,800</u>	<u>51,329</u>	<u>145,648</u>
<u>Other Charges</u>							
Insurance and Bonds	46,779	68,642	68,602	74,785	68,400	(6,385)	68,400
Dues and Subscriptions	7,523	6,875	9,637	10,219	8,400	(1,819)	8,400
Licenses and Taxes	9,430	4,330	6,416	2,413	6,100	3,687	6,100
Travel and Conferences	1,595	7,865	3,271	2,460	10,400	7,940	10,400
Miscellaneous	500	310	310	-	600	600	600
Bank Charges	2,158	380	386	1,517	-	(1,517)	-
Credit Card Transaction Fees	72,482	82,633	144,226	167,164	136,500	(30,664)	27,500
Interest - Other	903	5,885	2,330	537	2,400	1,863	2,400
Interest - Bonds	355,400	306,058	307,394	331,837	302,400	(29,437)	305,000
Bond Issuance Costs	-	22,113	-	-	-	-	-
Bad Debts	1,498	-	2,088	(201)	2,400	2,601	2,400
	<u>498,268</u>	<u>505,091</u>	<u>544,660</u>	<u>590,732</u>	<u>537,600</u>	<u>(53,132)</u>	<u>431,200</u>
<u>Depreciation/Amortization</u>							
Depreciation	60,274	49,570	54,873	55,200	49,600	(5,600)	58,250
Amortization	5,008	-	5,634	5,635	6,000	365	6,000
	<u>65,282</u>	<u>49,570</u>	<u>60,507</u>	<u>60,835</u>	<u>55,600</u>	<u>(5,235)</u>	<u>64,250</u>
Total Administration	<u>1,250,555</u>	<u>1,274,990</u>	<u>1,206,994</u>	<u>1,244,136</u>	<u>1,415,190</u>	<u>171,054</u>	<u>1,378,398</u>
Total Expenses	<u>4,192,125</u>	<u>4,587,579</u>	<u>4,353,006</u>	<u>4,383,047</u>	<u>4,785,310</u>	<u>402,263</u>	<u>4,540,443</u>
Change in Net Position	<u>\$ (272,381)</u>	<u>\$ (704,482)</u>	<u>\$ (9,843)</u>	<u>\$ 266,394</u>	<u>\$ (176,210)</u>	<u>\$ 442,604</u>	<u>\$ 218,457</u>

**Brainerd Public Utilities  
2025 Operating Budget  
Wastewater Department**

	Actual			2025		2025 Variance Positive (Negative)	2026 Budget
	2022	2023	2024	Projected Actual	Budget		
<b>Wastewater Department</b>							
<b>Revenue</b>							
<u>Utility Revenue</u>							
Residential	\$ 1,405,712	\$ 1,438,478	\$ 1,555,021	\$ 1,613,972	\$ 1,566,000	\$ 47,972	\$ 1,750,000
Commercial	736,018	823,926	993,023	956,911	1,123,000	(166,089)	985,000
City of Baxter	745,875	745,875	788,995	800,000	800,000	-	825,000
City of Brainerd	8,852	12,561	13,169	15,461	13,000	2,461	13,000
BPU	685	661	686	671	600	71	600
<b>Total Utility Revenue</b>	<b>2,897,142</b>	<b>3,021,501</b>	<b>3,350,894</b>	<b>3,387,015</b>	<b>3,502,600</b>	<b>(115,585)</b>	<b>3,573,600</b>
<u>Other Revenues</u>							
Late Payment Penalties	27,385	31,270	37,771	41,924	27,600	14,324	27,600
Credit Card Processing Revenue	-	-	-	-	-	-	-
Local Option Sales Tax Proceeds - Brainerd	1,539,391	1,453,667	1,430,028	1,893,340	1,472,400	420,940	1,472,400
Local Option Sales Tax Proceeds - Baxter	77,742	74,948	87,963	-	73,200	(73,200)	73,200
Bad Debt Recoveries	972	1,645	-	-	-	-	-
Interest Revenue - Investments	(411,554)	271,704	398,727	458,064	100,000	358,064	100,000
PERA Aid Revenue	-	-	19,035	-	-	-	-
Gain (Loss) on Sale Capital Assets	-	-	-	-	-	-	-
Refunds and Reimbursements	44	(2,898)	442	4,303	-	4,303	-
Interest Revenue - Notes Receivable	117,505	121,159	104,659	78,700	-	78,700	-
Federal Grant Revenue - Build America Bond	77,558	70,570	91,095	90,000	62,400	27,600	75,000
Bond Premium	40,407	8,766	13,736	14,157	8,400	5,757	8,400
Grant Revenue	-	-	-	-	-	-	-
Other Revenue	7,657	6,740	48,594	9,421	51,000	(41,579)	51,000
Capital Contributions	-	-	-	-	-	-	-
<b>Total Other Revenue</b>	<b>1,477,107</b>	<b>2,037,571</b>	<b>2,232,050</b>	<b>2,589,909</b>	<b>1,795,000</b>	<b>794,909</b>	<b>1,807,600</b>
<b>Total Revenue</b>	<b>4,374,249</b>	<b>5,059,072</b>	<b>5,582,944</b>	<b>5,976,924</b>	<b>5,297,600</b>	<b>679,324</b>	<b>5,381,200</b>
<b>Expenses</b>							
<u>Treatment</u>							
<u>Salaries and Wages</u>							
Regular Wages	268,850	334,045	294,501	472,732	456,800	(15,932)	500,400
Overtime Wages	69,325	55,283	52,830	58,797	-	(58,797)	-
Doubletime Wages	13,948	15,553	16,382	18,811	-	(18,811)	-
Vacation Pay	26,633	20,913	25,191	28,469	-	(28,469)	-
Sick Pay	5,296	2,527	3,582	10,287	-	(10,287)	-
	<b>384,052</b>	<b>428,321</b>	<b>392,486</b>	<b>589,096</b>	<b>456,800</b>	<b>(132,296)</b>	<b>500,400</b>
<u>Operations and Maintenance</u>							
Communications	-	4,538	258	524	5,400	4,876	1,250
Utilities	540,953	602,058	551,506	580,916	604,800	23,884	615,000
Small Tools and Supplies	13,704	27,700	10,701	5,585	21,600	16,015	21,600
Personal Protection Equipment	1,769	6,742	2,446	2,325	3,600	1,275	3,600
Motor Fuels	19,979	20,399	17,087	20,023	28,200	8,177	21,000
Maintenance and Repair							
Equipment	97,222	134,868	86,769	65,987	104,400	38,413	104,400
Buildings	10,828	39,245	8,786	121,801	30,000	(91,801)	45,900
Other	-	25	-	-	-	-	-
Annual Maintenance Agreements	-	-	716	1,467	-	(1,467)	-
Cleaning and Waste Removal	5,521	5,142	4,920	5,044	4,800	(244)	4,800
Testing and Monitoring	69,784	84,526	65,430	70,508	81,600	11,092	81,600
Printing and Publishing	-	-	-	-	-	-	-
Consulting Services	2,535	8,148	4,447	157,012	69,500	(87,512)	69,500
Chemicals	-	-	122,017	92,897	65,000	(27,897)	212,000
Other Commodities	54,836	75,164	28,717	4,739	31,000	26,261	17,500
Office Supplies	2,533	793	-	-	2,400	2,400	2,400
Other Services	313	963	372	911	1,200	289	1,200
	<b>819,977</b>	<b>1,010,311</b>	<b>904,172</b>	<b>1,129,739</b>	<b>1,053,500</b>	<b>(76,239)</b>	<b>1,201,750</b>
<u>Employee Benefits</u>							
Employee Benefits	-	-	190	2,107	-	(2,107)	-
Pension	27,878	30,899	30,578	38,084	34,800	(3,284)	37,530
Health Insurance	65,814	67,093	82,927	86,116	89,200	3,084	86,375
Payroll Taxes	27,613	29,901	30,011	36,933	32,400	(4,533)	40,258
	<b>121,305</b>	<b>127,893</b>	<b>143,706</b>	<b>163,240</b>	<b>156,400</b>	<b>(6,840)</b>	<b>164,163</b>
<u>Other Charges</u>							
Licenses and Permits	29,840	8,152	9,096	7,117	21,600	14,483	12,500
Dues and Subscriptions	-	233	840	1,807	600	(1,207)	600
Travel and Conferences	15,940	20,138	3,702	8,519	18,000	9,481	18,000
Miscellaneous	-	1,000	1,000	-	-	-	-
	<b>45,780</b>	<b>29,523</b>	<b>14,638</b>	<b>17,443</b>	<b>40,200</b>	<b>22,757</b>	<b>31,100</b>
<u>Depreciation</u>	<b>1,516,353</b>	<b>1,430,502</b>	<b>1,430,400</b>	<b>1,430,400</b>	<b>1,416,000</b>	<b>(14,400)</b>	<b>1,440,500</b>
<b>Total Treatment</b>	<b>2,887,467</b>	<b>3,026,550</b>	<b>2,885,402</b>	<b>3,329,917</b>	<b>3,122,900</b>	<b>(207,017)</b>	<b>3,337,913</b>

**Brainerd Public Utilities  
2026 Operating Budget  
Wastewater Department (Continued)**

				2025		2025 Variance Positive (Negative)	2026 Budget
	2022	Actual 2023	2024	Projected Actual	Budget		
<b>Wastewater Depart. (Continued)</b>							
<b>Expenses</b>							
<b>Lift Stations</b>							
<u>Salaries and Wages</u>							
Regular Wages	57,023	69,344	70,187	121,844	167,300	45,456	142,600
Overtime Wages	16,031	8,903	10,265	12,975	-	(12,975)	-
Doubletime Wages	3,618	3,165	2,601	2,925	-	(2,925)	-
Vacation Pay	10,644	6,131	6,755	7,483	-	(7,483)	-
Sick Pay	8,414	1,570	1,253	2,769	-	(2,769)	-
Less: Wages Capitalized	-	-	-	-	-	-	-
	<u>95,730</u>	<u>89,113</u>	<u>91,061</u>	<u>147,996</u>	<u>167,300</u>	<u>19,304</u>	<u>142,600</u>
<u>Operations and Maintenance</u>							
Communications	2,849	2,918	2,352	2,004	3,600	1,596	3,600
Utilities	119,334	128,242	123,445	121,215	129,600	8,385	129,600
Small Tools and Supplies	124	122	2,864	1,533	3,400	1,867	3,400
Motor Fuels	6,246	-	71	95	6,000	5,905	6,000
Maintenance and Repair							
Equipment	24,111	34,739	6,227	4,055	28,800	24,745	28,800
Buildings	9,865	-	6,096	2,005	4,800	2,795	4,800
Other	-	-	-	-	-	-	-
Maintenance Agreements	-	-	-	231	-	(231)	-
Cleaning and Waste Removal	10,605	12,805	10,276	9,044	10,800	1,756	10,800
Testing and Monitoring	-	-	-	-	-	-	-
Consulting Services	-	10,821	9,090	-	3,600	3,600	3,600
Other Commodities	335	-	1,073	1,647	1,200	-	1,200
Other Charges	-	-	127	8	-	-	-
Miscellaneous	-	557	-	-	-	-	-
	<u>173,469</u>	<u>190,204</u>	<u>161,621</u>	<u>141,836</u>	<u>191,800</u>	<u>50,419</u>	<u>191,800</u>
<u>Employee Benefits</u>							
Employee Benefits	\$ -	\$ -	\$ -	411	\$ -	\$ (411)	\$ -
Pension	6,545	7,328	7,316	9,239	10,800	1,561	10,695
Health Insurance	16,350	18,350	24,006	30,852	31,200	348	26,213
Payroll Taxes	6,244	7,047	7,147	8,951	10,800	1,849	11,472
	<u>29,139</u>	<u>32,725</u>	<u>38,469</u>	<u>49,452</u>	<u>52,800</u>	<u>3,348</u>	<u>48,380</u>
<u>Other Charges</u>							
Licenses and Permits	30	360	50	67	-	(67)	-
Travel and Conferences	1,884	3,135	-	169	2,400	2,231	2,400
	<u>1,914</u>	<u>3,495</u>	<u>50</u>	<u>236</u>	<u>2,400</u>	<u>2,164</u>	<u>2,400</u>
<u>Depreciation</u>	<u>276,774</u>	<u>275,806</u>	<u>216,138</u>	<u>216,000</u>	<u>268,800</u>	<u>52,800</u>	<u>268,800</u>
Total Lift Stations	<u>577,026</u>	<u>591,343</u>	<u>507,339</u>	<u>555,520</u>	<u>683,100</u>	<u>128,035</u>	<u>653,980</u>
<b>Administration</b>							
<u>Salaries and Wages</u>							
Regular Wages	216,851	210,129	189,676	205,229	376,600	171,371	341,700
Overtime Wages	4,197	2,052	2,730	2,405	-	(2,405)	-
Doubletime Wages	12	144	93	149	-	(149)	-
Vacation Pay	24,436	26,285	26,574	24,403	-	(24,403)	-
Sick Pay	16,087	20,039	23,331	17,895	-	(17,895)	-
Board Member Salaries	2,195	2,090	2,125	1,833	4,190	2,357	5,400
	<u>263,778</u>	<u>260,739</u>	<u>244,529</u>	<u>251,915</u>	<u>380,790</u>	<u>128,875</u>	<u>347,100</u>

**Brainerd Public Utilities  
2026 Operating Budget  
Wastewater Department (Continued)**

	Actual		2025		2025 Variance Positive (Negative)	2026 Budget	
	2022	2023	2024	Projected Actual			Budget
<b>Wastewater Depart. (Continued)</b>							
<b>Administration (Continued)</b>							
<b>Expenses (Continued)</b>							
<u>Operations and Maintenance</u>							
Communications	19,997	21,792	29,584	31,525	31,600	75	31,600
Utilities	9,957	11,443	8,121	12,529	12,000	(529)	12,000
Small Tools and Supplies	-	7	229	-	-	-	-
Maintenance and Repair							
Equipment	255	2,765	4,562	3,392	2,400	(992)	2,400
Buildings	-	-	-	188	-	(188)	-
Other	-	-	-	-	-	-	-
Maintenance Agreements	32,512	53,583	50,996	40,989	55,000	14,011	50,000
IT System Services	21,378	8,552	8,804	3,168	10,900	7,732	10,900
Cleaning and Waste Removal	-	86	-	-	-	-	-
Printing and Publishing	12,759	5,345	10,562	1,872	5,000	3,128	5,000
Consulting Services	29,781	20,131	33,636	25,449	30,000	4,551	30,000
Other Commodities	47	309	59	192	-	(192)	-
Human Resource Services	11,990	15,518	16,800	20,024	22,580	2,556	22,580
Office Supplies	4,175	4,729	4,061	2,717	4,800	2,083	4,800
Other Services	1,169	1,027	721	720	1,200	480	1,200
	<u>144,020</u>	<u>145,287</u>	<u>168,135</u>	<u>142,767</u>	<u>175,480</u>	<u>32,713</u>	<u>170,480</u>
<u>Employee Benefits</u>							
Employee Benefits	-	2,767	2,773	41	1,200	1,159	1,200
Pension	104,122	72,289	(19,937)	17,267	48,000	30,733	26,033
Health Insurance	66,679	72,616	74,940	73,741	82,800	9,059	68,014
Payroll Taxes	17,775	18,666	17,341	16,492	22,800	6,308	27,924
	<u>188,576</u>	<u>166,338</u>	<u>75,117</u>	<u>107,541</u>	<u>154,800</u>	<u>47,259</u>	<u>123,171</u>
<u>Other Charges</u>							
General and Worker Comp. Insurance	61,312	79,240	94,601	109,448	85,700	(23,748)	125,000
Dues and Subscriptions	11,607	26,760	29,951	22,640	27,900	5,260	27,900
Licenses and Permits	2,096	1,615	3,634	1,997	2,200	203	2,200
Travel and Conferences	1,466	6,778	2,734	3,615	11,200	7,585	11,200
Miscellaneous	-	-	-	-	-	-	-
Bank Charges	1,493	-	6	95	-	(95)	-
Credit Card Transaction Fees	72,482	82,633	144,225	167,164	125,250	(41,914)	23,200
Interest Expense - Other	903	1,185	2,330	537	600	63	600
Interest Expense Bonds	379,475	337,680	358,861	310,411	363,600	53,189	363,600
Bond Issuance Costs	-	36,588	-	-	-	-	-
Amortization of Deferred Charges	5,008	5,634	5,634	5,635	6,000	365	6,000
Bad Debts	2,032	2,898	3,299	(308)	2,400	2,708	3,000
	<u>537,874</u>	<u>581,011</u>	<u>645,275</u>	<u>621,233</u>	<u>624,850</u>	<u>3,617</u>	<u>562,700</u>
<u>Depreciation</u>	<u>41,965</u>	<u>37,901</u>	<u>42,479</u>	<u>42,000</u>	<u>34,900</u>	<u>(7,100)</u>	<u>34,900</u>
Total Administration	<u>1,176,213</u>	<u>1,191,276</u>	<u>1,175,535</u>	<u>1,165,456</u>	<u>1,370,820</u>	<u>205,364</u>	<u>1,238,351</u>
Total Expenses	<u>4,640,706</u>	<u>4,809,169</u>	<u>4,568,276</u>	<u>5,050,893</u>	<u>5,176,820</u>	<u>126,381</u>	<u>5,230,244</u>
Change in Net Position	<u>\$ (266,457)</u>	<u>\$ 249,903</u>	<u>\$ 1,014,668</u>	<u>\$ 926,031</u>	<u>\$ 120,780</u>	<u>\$ 805,705</u>	<u>\$ 150,956</u>



# Public Utilities Commission Agenda Request

**MEETING DATE:** October 28, 2025

**TITLE OF ITEM:** Discuss EV Charging - Rate/Future Plan

**ACTION REQUESTED:** Discussion Item

**ESTIMATED TIME (MIN):** 8

**SUBMITTED BY:** Trent Hawkinson, Operations  
Manager, Danny Loch, Finance Manager

**PRESENTER:** Trent Hawkinson, Operations  
Manager, Danny Loch, Finance Manager

**SUMMARY OF ISSUE:**

Following the last Board meeting, staff received a customer request to review and discuss rate options specific to electric vehicle (EV) charging installations. The customer inquiry focused on whether current rate structures adequately account for the unique load profile and potential off-peak utilization of EV charging stations.

As electric vehicle adoption continues to grow, many utilities are evaluating EV-specific rates or pilot programs designed to encourage charging during off-peak hours while ensuring fair recovery of infrastructure and energy costs. A discussion at the Commission level will help determine whether BPU should begin exploring such rate design options, conduct a load analysis of potential EV demand impacts, or defer action pending further customer interest or system data.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

Staff request Commission discussion and direction on whether to:

1. Initiate a review of EV charging rate options (e.g., time-of-use, demand-based, or separate EV tariffs);
2. Gather additional data on customer EV charging patterns and projected growth; or
3. Maintain the current rate structure until additional usage trends are observed.

**RECOMMENDED ACTION/MOTION:** Staff are wanting to discuss EV charging rates and potential direction on how to proceed.

**FINANCIAL IMPACT:** Unknown



# Public Utilities Commission Agenda Request

**MEETING DATE:** October 28, 2025

**TITLE OF ITEM:** Discuss on Leaking Services Policy

**ACTION REQUESTED:** Discussion Item

**ESTIMATED TIME (MIN):** 6

**SUBMITTED BY:** Trent Hawkinson, Operations  
Manager, Danny Loch, Finance Manager

**PRESENTER:** Trent Hawkinson, Operations  
Manager, Danny Loch, Finance Manager

**SUMMARY OF ISSUE:**

Staff is requesting Commission discussion on the development of a formal policy regarding leaks that occur on customer-owned service lines. Recent incidents have highlighted inconsistencies in how these situations are identified, communicated, and resolved. In particular, questions have arisen about when responsibility transitions from the utility to the customer, how long customers should be given to make repairs, and what actions the utility should take when leaks remain unaddressed.

Establishing a clear, written policy would ensure consistent treatment of similar cases, reduce ambiguity for both staff and customers, and align with best practices in system integrity and water loss control. The policy discussion will also allow the Commission to consider options for notification procedures, repair timelines, cost responsibility, and enforcement or shut-off authority when necessary to protect system integrity.

**ALTERNATIVE, OPTIONS, EFFECTS ON OTHERS/COMMENTS:**

Staff request Commission discussion and direction on key policy elements, including:

1. Clarifying ownership and repair responsibility for service leaks;
2. Establishing timeframes and notification procedures for corrective action; and
3. Determining appropriate enforcement measures for unresolved leaks.

**RECOMMENDED ACTION/MOTION:** Provide in the discussion direction for staff to begin drafting a formal policy to be presented to the Policy Committee for formal action and completion.

**FINANCIAL IMPACT:** None.

## MEMORANDUM

TO: Mayor Badeaux and City Councilmembers  
FROM: Nick Broyles, City Administrator  
DATE: 20 October 2025  
SUBJ: City Administrator Report

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In addition to routine administrative matters and in preparation of topics and business action items on the Council's work sessions and meeting agendas, the following is a summary of tasks and activities the City Administrator's office has been working on since the last report of 15 September 2025.

### **Community Engagement**

16 Sep: Met w/LCCMR Commission visit at Lyman P. White Park to discuss past successes and future projects  
17 Sep: Finished mid-year reviews w/direct reports  
17 Sep: Planning Commission  
19 Sep: Discussed status of current construction projects w/Public Works  
19 Sep: Final site walk-through in advance of Loon Fest activities  
23 Sep: Monthly meeting w/Baxter City Administrator – discussed Local Option Sales Tax  
23 Sep: Met w/Capital Investment Committee re: bonding bill at Central Lakes College  
23 Sep: TAC meeting and Park Board meeting  
24 Sep: HRA Board meeting and continued discussion on construction projects  
25 Sep: Met w/employee insurance committee members to formulate health insurance recommendations for 2026  
25 Sep: Met w/Andrew Shipe re: parks  
29 Sep: Met w/HR re: new Paid Family Medical Leave  
29 Sep: Met w/our bonding company to discuss our bond rating  
30 Sep: PUC meeting and met w/Mike Higgins to discuss NPC activities  
1 Oct: Met w/Kevin Lee from North Memorial Ambulance for our annual meeting  
2 Oct: Annual Employee Appreciation Event  
8 Oct: Wellness Committee meeting and Comm Dev met w/Kuepers to discuss development  
13 Oct: Discussions re: orderly annexations, and YMCA Board meeting  
14 Oct: Continued discussions re: orderly annexations  
14 Oct: Met w/YMCA to discuss their potential expansion  
14 Oct: Attended Fire Advisory Board meeting  
15 Oct: Planning Commission  
16 Oct: Assembled the Public Utilities Director Work Group to conduct interviews and discuss the way ahead

### **Finance**

Final preparations for 2026 budget continue. The preliminary levy has been set, and staff is working to find the necessary reductions.

## **Human Resources**

- 2026 Open Enrollment: An informational meeting will be held on 4 Nov at 10a to help educate employees regarding 2026 benefit changes. The deadline to make 2026 benefit elections is 14 Nov.
- Public Utilities Director: The Work Group conducted an interview on 16 Oct, and a conditional job offer is being negotiated.
- Employee Policy Manual: Changes are needed due to employment law changes from the 2025 legislative session. Staff is planning to provide an updated version for Council consideration at the 3 Nov meeting.

## **Public Works/Utilities/Parks/Transit**

### Road Projects – Wright/10<sup>th</sup> Street

Wright Street continues to progress but will likely wrap up very late in the construction season. 10<sup>th</sup> will likely need to be pushed to 2026. City Council will make the final decision.

- Scope: watermain, sewer & storm, curb/gutter, and asphalt
- Contract Start Date: 19 May
- Substantial Completion Date: 3 Oct
- Wright Street from 6<sup>th</sup> to 10<sup>th</sup> has the first lift paved
- Look Ahead: 10<sup>th</sup> to 13<sup>th</sup> underground work complete 24 Oct; curb & gutter and first lift paved by end of season.

### Road Projects – Beech/Oakridge

- Scope: watermain, sewer & storm, curb/gutter, sidewalk, and asphalt
- Contract Start Date: 23 Jun
- Substantial Completion Date: 24 Oct
- Progress Schedule Status: roughly 3 weeks behind
- Curb and gutter installed in the south section of Beech
- Look Ahead: first lift complete on the south half of Beech; Oak & Beech intersection closed until pavement can be fully restored; north section underground continue through 17 Oct; north half grading week following (roughly 24 Oct); remainder of Oak & Beech curb & pavement in early November
- Paving of Beech Street: we are waiting to determine if final paving can be completed or just first lift. It would be recommended that only the first lift be completed this year to allow for a freeze-thaw cycle and then evaluate in the spring of '26.

### Road Projects – 371/Willow Roundabout

- Contract Start Date: 4 Aug
- Substantial Completion Date: 10 Oct
- Progress Schedule Status: roughly 2 weeks behind
- Landwehr has notified project manager that they will be working Saturdays for the duration of the project
- Curb and gutter and first lift pavement installed
- Look Ahead: remaining signage, sidewalk, topsoil and seeding by 17 Oct; final pavement 20 Oct; striping 21 Oct; and hopefully open on 31 Oct
- RRFB signage is delayed, and staff is following up with the contractor to find options to complete to allow for opening of the detour on 31 Oct

### Road Projects – Hawkins/Ronald/Joseph Resurfacing

- Substantial Completion Date: 15 Jun
- Due to the Roundabout detour, work on the Joseph/Ronald/Alley portion would not start until the detour is no longer needed. With completion and opening of the roundabout on approximately 31 Oct, it is likely this portion of the project will be completed in early 2026 w/City Council concurrence.
- The contractor has completed replacement of the hydrants on Hawkins Drive. Restoration of the curb replacements and paving will follow shortly in late October.

### **Fire**

The Fire Department had their open house on 9 Oct, and it was a very successful event. Eight interviews were conducted for paid-on-call firefighters and job offers are anticipated soon.

### **Technology**

Public Utilities hardware inventory substantially complete, and a software inventory will follow. Computers have been replaced in the Public Utilities Department, and we are working on the same for the Airport. All city computers will be replaced in 2026 as part of the regular replacement schedule. All computer replacements will come with various additional security implementations. Significant progress is being made with GIS applications for sewer crew and others.

### **Suspense Tracker**

Subject	Due Date	Department	Notes	% Complete	Status	Date Completed
Dennis Bollig, 1001 Anabec Street: Stormwater Retention Pond	10/7/2025	Public Works	<p>Process:</p> <ul style="list-style-type: none"> <li>-Mr. Bollig attended the 8/18/25 City Council meeting Public Forum</li> <li>-Jessie will meet with Dennis on 10/21/25 to discuss issue and outline process for construction improvement.</li> <li>-Jessie will meet/confirm with Joe Langel to collect additional information and conversations with Paul Sandy on the subject.</li> <li>-Jessie will add topic to City Council agenda for discussion on 11/1/25.</li> </ul>	75%	In Progress	
Hiring Public Utilities Director	10/31/2025	Administration	<p>Council and Public Utilities Commission conducted a workshop regarding roles and responsibilities.</p> <p>City Council approved the job description changes on 8/18 and directed staff to move forward with hiring using GMP guarantee. The job posting went live on the GMP website on 9/4/25. First review of applicants will occur on October 12th. Applicants were encouraged to apply as soon as possible as rolling interviews will occur.</p>	50%	In Progress	

BlockMetrix- Site Control	12/31/2025	Community Dev	<p>Purchase and Development Agreement- needs to be executed by BM</p> <p>Power Agreement- needs to be executed by BM</p> <p>Building Permits- have been applied for</p> <p>EDA will direct staff on next steps regarding the PDA at the June 5th meeting</p> <p>EDA took no action at the June 5th meeting</p> <p>Power Agreement is currently being reviewed by staff and will be reviewed by the PUC on 6/24</p> <p>Power Agreement has been forwarded to Blockmetrix for review 7/2</p> <p>Staff set up a virtual meeting with Blockmetrix on 7/30 – Blockmetrix did not attend – stated that an issue came up</p> <p>Staff virtually met with Blockmetrix – 8/15 – Staff have not received a response</p> <p>Staff will virtually meet with Blockmetrix on 9/11</p> <p>BPU Commission directed staff to not accept the edits from Blockmetrix regarding the power agreement</p> <p>Staff is waiting on a response from Blockmetrix</p> <p>BPU Commission will be considering the power agreement at the October meeting</p>	50%	In Progress
Shoreland Ordinance	12/31/2025	Community Dev	<p>Planning Commission to review preliminary language on 9/17</p> <p>Planning Commission reviewed language at the 10/15 meeting and directed staff to work with the DNR on four outstanding items.</p>	75%	In Progress
2026 Budget	12/31/2025	Administration	<p>Preliminary Levy set on September 29th: \$7,666,013 (8% increase)</p>	40%	In Progress
Airport Resolution		Administration	<p>Staff continues work on resolution.</p> <p>Interim Airport Director has been hired.</p> <p>The Airport has been conducting meetings in July &amp; August regarding budget.</p> <p>7/28/25 Crow Wing County will be removing the City of Brainerd properties from the County portion of the Airport levy given that the City levies equal to or more than the County for the Airport in 2026.</p> <p>8/5/2025 The City responded to the County's letter regarding the airport levies.</p> <p>10/1/2025 The Airport released it's application process for hiring an Airport Manager</p>	25%	In Progress

Riverside Drive Orderly Annexation		Community Dev	<p>Staff is coordinating with the Crow Wing County City Council directed staff to resolve connection charge issues and the Rural Service District prior to moving forward with annexation (Complete)</p> <p>Ordinance 1581 is set to eliminate future use of Rural Service District- adopted 6/2 (Complete)</p> <p>Public Works Department – Discuss Connection Charges set at 6/2 meeting (complete)</p> <p>Staff to seek direction from City Council regarding the Annexation of Riverside Drive on 7/7</p> <p>Staff are working on an interdepartmental review and will complete review by 8/1</p> <p>Draft joint resolution will be reviewed by the City Attorney prior to meeting with Crow Wing County staff</p> <p>Staff is currently making changes as directed by the City Attorney – Staff will forward amended document to City Attorney for final review City Attorney and City Engineer are discussing final edits – 9/9</p> <p>City has completed the final document for the proposed orderly annexation agreement- 10/13</p> <p>City staff will be setting up a meeting with the County in October for discussions on a joint resolution</p>	60%	In Progress
Fire Station #1 Renovation	8/1/2026	Fire	<p>6/16/25 Meeting with Widseth, Kramvik, and Dehn in reference to CUP and variance needed for project. Verifying we can do the project on the current site if funded.</p> <p>7/16/2025 Planning Commission approved CUP and variance needed for the proposed renovation.</p> <p>8/4/2025 City Council approved CUP and variance for proposed renovation.</p>	10%	In Progress
Codification		Administration	<p>Initial talks have taken place.</p> <p>Need to develop a schedule.</p> <p>Staff is working to do this internally.</p>	0%	Not Started
805 Laurel		HRA	Developer is working on financing	10%	Waiting
Pedestrian Bridge		Public Works	Staff is pursuing funding opportunities including State Bonding	25%	Waiting

Wastewater Reclamation

Public  
Utilities

Staff is pursuing funding opportunities including State Bonding Awarded \$5 million in Congressional Spending. Project bids were rejected at the November commission and December council meeting. Bolton and Menk are suggesting we pursue construction manager at risk (CMAR) to oversee the project and create a maximum price. The process for CMAR has been initiated in the May and June Commission meetings and Bolton & Menk has prepared draft requests for staff to begin reviewing and the review process has begun. In addition, the request for proposals has been advertised and will be open through September 4, 2025.

25%

Waiting

Hydrodam

Public  
Utilities

Barr Engineering and staff continue work related to procurement of one generator at the hydro facility. Barr recently found from multiple suppliers that the project type with the submersible generators are no longer in production or have been paused. In Barr's preliminary research the eliminated line of turbine was anticipated to be the most economical for the utility. Barr continues to evaluate options, for the generation at the hydro facility. The newest challenges are evaluating civil work and costs that would be incurred for installation of any new generators. The most recent option considered is a stream diver generator installed vertically in the pit or in the tail race. No estimates have been provided at this time as Barr continues to estimate the additional costs.

25%

Waiting

Sale of Industrial Properties	Community Dev	River Birch Investments submitted a letter of intent to purchase three industrial park lots at \$1 per acre – 6/5 EDA was in favor of the project and directed staff to begin negotiations on a purchase and development agreement City Council directed staff to begin negotiations on a purchase and development agreement and were generally in favor of the project 6/16 City Council passed ordinance to allow clinics in the industrial district – 7/21 EDA reviewed language and provided direction for a purchase and development agreement with River Birch Investments – 9/4 Developer’s legal team is reviewing the preliminary purchase and development agreement	25%	In Progress		
Completed in 2025						
Country Manor	Community Dev	Development Agreement (executed) Tax Abatement Agreement (executed) Cost Share Agreement CWC (executed) Conduit Debt PH 3/17 (Complete) Conduit Debt Agreement 3/17 (executed) Will Issue Letter 5/12 (executed) Issue Conduit Debt (5/28) Groundbreaking Ceremony (6/10)	100%	Complete	6/2/2025	
614 Front Street Building – Fire Damage	Community Dev	Fire occurred at 614 Front Street – 6/4 City Council waived fire escrow – 7/7 Property owner submitted structural plans – 7/29 Building permit submittal requires details on connection points – Building Official working with Structural Engineer to provide details – 7/30 Building permit issued for structural improvements – 8/4 Structural improvements and roof repair is complete Front Street Café reopened	100%	Complete	9/11/2025	
Rural Service District Ordinance	6/2/2025	Community Dev	Review of Draft Ordinance (Complete) 1st Reading (Complete) Letters mailed to designated property owners 5/12 2nd Reading & Public Hearing 6/2	100%	Complete	6/9/2025

Ordinance to Amend Off-Street Parking - Allowing Unimproved Surfaces in General Industrial	6/16/2025	Community Dev	Planning Commission Reviewed Draft Ordinance (complete) Planning Commission Reviews Ordinance and Holds Public Hearing 5/21 Planning Commission Recommended Ordinance 5/21 First Reading 6/2 Final Reading 6/16	100%	Complete	6/13/2025
Ordinance to Amend Screening Requirements - Outdoor Sales	6/16/2025	Community Dev	Planning Commission Review Draft Ordinance (complete) Planning Commission Reviews Ordinance and Holds Public Hearing 5/21 Planning Commission Recommended Ordinance 5/21 First Reading 6/2 Final Reading 6/16	100%	Complete	6/13/2025
Code Enforcement Ordinance	7/7/2025	Community Dev	Review Draft Ordinance 5/19 First Reading of Proposed Ordinance 6/2 Final Reading and public hearing 7/7	100%	Complete	7/2/2025
Corner Lot Fence Requirements	7/21/2025	Community Dev	City Council Directed Planning Commission to Review Proposed Regulations for Corner Lot Fences 5/19 Planning Commission Reviewed Proposed Ordinance Language and Directed Staff to Hold a Public Hearing 6/18 at Planning Planning Commission Recommended Approval 6/18 First Reading 7/7 Final reading and City Council consideration 7/21	100%	Complete	7/24/2025
Office Business in the GI District	7/21/2025	Community Dev	Developer submitted letter of intent to purchase three City owned industrial lots for a medical clinic - 6/5 EDA recommended that Office Business should be an allowed use in the GI District - 6/5 Planning Commission will consider request and conduct public hearing on 6/18 First Reading 7/7 Final reading and consideration by City Council 7/21	100%	Complete	7/17/2025

Amended Allowed Use Table - 8/4/2025 Zoning Code		Community Dev	Initial Planning Commission Review of Revised Allowed Use Table 5/21 Planning Commission Review and Direct Changes 6/18 Planning Commission Public Hearing 7/16 City Council First Reading - 8/4	100%	Complete	8/19/2025
St. Francis Development Agreement	8/4/2025	Community Dev	Staff drafted a development agreement and e-mail the agreement for St. Francis to review - 7/1 St. Francis reviewed the development agreement and sent a revised version - 7/11 Staff met with City Attorney to discuss revisions - 7/14 City Attorney approved revisions - 7/29 City Council review on - 8/4	100%	Complete	8/19/2025
8th & Maple Parking Lot	9/18/2025	Public Works	First Lutheran Church is the primary owner of the parking lot at 8th & Maple along with The Office Shop and Anderson Cleaners. There is an 'L' shaped City Alley through the lot from Maple South to the middle of the block which then turns West to 7th in the middle of the block. The 3 abutting property owners are looking at resurfacing. What is the protocol to get the City to participate financially? The 2nd Question is that due to the high quantity of semi-truck traffic at the SE corner of the Office Shop bldg. we possibly will want to beef up this portion of the lot which crosses the Southern portion of the City's N/S alley. Will the City participate in what possibly could be an additional expense?	100%	Complete	9/24/2025
Transit Consultant Review	9/23/2025	Public Works	3rd party BlueSky has an extreme amount of Non-Performance Issues causing staff to have State conduct a Consultant Review. Presentation at the September 23rd TAC meeting.	100%	Complete	9/29/2025
SRTS Lowell	10/1/2025	Public Works	Construction	100%	Complete	8/19/2025
Arbitration Hearing with Teamsters Union	10/1/2025	Human Resources	The Arbitration Hearing with the Teamsters (Police Lieutenant and Sergeants) Union took place on July 31st. (Update will be available) The results of the arbitration will be ratified on 9/15.	100%	Complete	9/10/2025

Improved Signage Ordinance	10/6/2025	Community Dev	Reviewed Example Ordinances and Selected New Proposed Language (complete) Planning Commission Reviewed Draft Ordinance on 6/18 and Directed Staff to Research Sign Lighting Standards Planning Commission to Review Final Draft on 7/16 Planning Commission asked staff for additional lighting research – 7/16 Planning Commission will review additional lighting standards – 8/20 Planning Commission directed staff to hold a public hearing on – 9/17	100%	Complete	9/29/2025
Improvement 23-12 Beech	10/20/2025	Public Works	Construction	50%	In Progress	
Improvement 17-12 Wright	10/20/2025	Public Works	Construction	50%	In Progress	
Improvement 23-14 Hawkins	10/20/2025	Public Works	Construction	50%	In Progress	
Improvement 23-16 S Brd Resurface	10/20/2025	Public Works	Construction Declare Costs/Set PH for Assessments 2ND MEETING SEPTEMBER Assessment PH 1ST MEETING OCTOBER Assessment Finalized 1ST MEETING OCTOBER Payment of Assessment DECEMBER 1ST TO COUNTY	100%	Complete	10/7/2025
M Street Outfall	10/20/2025	Public Works	Construction	0%	Not Started	
John Stram, 921 SE 19th Street	10/20/2025	Public Works	The owner, John Stram received a grant to install a well on his property.	100%	Complete	9/17/2025

# HR Director's Report to the Public Utilities Commission

October 21, 2025

## Personnel:

- Four Public Utilities Department employees were off work intermittently this past month with two of them for a work-related medical issue.
- At its October 6<sup>th</sup> meeting, the City Council approved the promotion of Kyle Glass to Water Serviceworker effective October 7<sup>th</sup>. With this status change, Staff are reviewing our organizational structure and needs and will make a recommendation in the future.
- The City Council approved the updated job description for the Billing Representative at its October 6<sup>th</sup> Meeting. An internal hiring process was utilized with three applications received. Staff will begin the interview process soon.
- Water Crew Chief Jeff Innes submitted his retirement notice with his last working day being December 1, 2025. The Council accepted his retirement at their October 20<sup>th</sup> meeting. Staff are reviewing organizational structure and needs and will make recommendations in the future. We wish Jeff a happy and healthy retirement!

## Public Utilities Director Update:

One individual was interviewed on October 16<sup>th</sup> for our Public Utilities Director position. Mr. Paul Sandy was offered and accepted the position. The Public Utilities Director Work Group and City Administrator Broyles recommended his hiring at the October 20<sup>th</sup> City Council Meeting. Mr. Sandy will be starting with the City on November 4<sup>th</sup>.

## Union Negotiations:

The City recently received the fully signed 2025-2027 USW (Hydro) Union contract documents from the union. Staff have begun the backpay process for the one employee covered by this contract.

At the October 20<sup>th</sup> Council meeting, the inaugural Collective Bargaining Agreement (CBA) between the City of Brainerd and Brainerd Public Utilities Managers and Supervisor Association Union was approved. Staff will begin calculating backpay for the four employees that were covered under that CBA.

## Benefits:

At its October 6<sup>th</sup> meeting, the City Council approved the Better Health Collective's 2026 health insurance quote with an average 3% increase which includes a 15% rate cap for our 2027 renewal. This action was recommended by our broker and the Employee Health Insurance Committee.

Our 2026 Open Enrollment benefits election period will start on November 4<sup>th</sup> and end on November 14<sup>th</sup>. Our brokers will provide a presentation regarding our benefits on Tuesday, November 4<sup>th</sup> starting at 10:00 am. An email with the link to attend virtually will be distributed that morning. Staff will provide the Council and the Commission with their 2026 health insurance election form in the near future.

## Wellness Committee:

The 2025 Employee Appreciation Event was held on October 2nd at the Public Works facility. We would like to thank all those that took time out of your busy schedules to participate. 2025 Innovation and Exceptional Service Awards were announced at the event. The winner of the Innovation Award was Investigator Jay Personius and the winner of the Exceptional Service Award was Administrative Assistant Kelly Eades from the Public Utilities Department. Congratulations to both of them and we thank all employees for the amazing work they do for the City of Brainerd!



# BRAINERD PUBLIC UTILITIES

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## **Brainerd Public Utilities Finance Managers Report October 2025**

### Federal Funding – Concerns for Customers

Staff received a letter from the Minnesota Department of Commerce regarding the potential impact of the federal shutdown on the Low-Income Home Energy Assistance Program (LIHEAP). The letter noted that if the shutdown continues through November 1, LIHEAP funding could be delayed. This program—administered locally through Lutheran Social Services (LSS)—provides important heating assistance to many of our customers during the fall and winter months. Typically, the utility begins receiving LIHEAP payments around mid-November. A delay would not affect anyone’s eligibility, but it may postpone when those payments are applied to customer accounts.

The Cold Weather Rule (CWR) is now in effect, which protects residential customers from disconnection if they contact us to set up a payment arrangement. Our staff are ready to help anyone who may be struggling or waiting for energy assistance funds. We encourage customers to call us early to discuss options, set up a manageable payment plan, and avoid additional stress.

By making—and keeping—a payment arrangement, customers are fully protected from disconnection during the Cold Weather Rule period. We’re here to work with each household to ensure they stay warm and connected throughout the heating season.

### 2026 Budget Process

The 2026 Operating Budget has been completed in draft form and is included in the agenda packet for Commission review and discussion. Staff have incorporated updated projections for revenue and expenses across all utility departments, reflecting the most current information available.

While the operating portion of the budget is now developed, staff continue work on the 2026–2030 Capital Improvement Plan. Final recommendations on capital project timing will depend on the Commission’s direction regarding the operating budget and overall financial capacity. Establishing the operational framework first will help guide which capital items can be responsibly advanced in 2026. Staff are also awaiting responses from multiple vendors on material and equipment pricing for 2026 projects. Many suppliers remain cautious in providing estimates due to the current federal tariff environment and market volatility affecting steel, electrical components, and treatment equipment.

Discussions at the City Council level regarding PILOT contributions also remain ongoing. Any changes to the PILOT formula or contribution expectations could have a significant impact on the final 2026 budget and long-term financial planning.

### Monthly Financial Statements

The June through September financial statements are attached for Commission review. An error correction from June has been completed and reflected accurately in the July through September statements, consistent with prior discussions at recent Commission meetings.

The correction pertained to the recording of industrial revenues and the Conservation Improvement Program (CIP). The adjustment resulted in an increase in industrial revenue and a corresponding decrease to CIP liabilities, properly aligning the accounts for reporting and analysis going forward. All subsequent monthly statements reflect the corrected figures and have been presented for review.

**FINANCE MANAGERS REPORT  
OCTOBER 2025 (CONTINUED)**

Streetlighting/Water/Wastewater Cost Studies

The cost studies for Street Lighting, Water, and Wastewater are continuing. UFS is currently waiting for the finalized 2025 financial data, which will allow them to complete the studies using the most up-to-date information. That 2025 data is being compiled as part of the 2026 budget preparation process to ensure consistency across both efforts. Once the budget process is completed and direction is received regarding the contribution policy, completing these cost-of-service studies will become a top priority.

ClimaVision – Weather Radar

The ClimaVision lease has been returned for final review by both staff and ClimaVision's legal team to ensure full alignment on lease terms, site use, and renewal provisions. Once both parties have completed their review and finalized the language, the agreement will be brought forward for Commission consideration.

Banking Transition

The banking transition is progressing, with staff coordinating with the financial institution to transfer accounts, update electronic payment processing, and confirm investment and deposit structures. Discussions remain active to ensure continuity of operations and minimize any service disruption during the transition period. There have been minor hiccups throughout the process but staff have been working with the financial institution to transition with the buyout.

Payment Processing/Credit Card Transaction Fees

Staff have begun the process change with Tyler Payments, and Tyler Technologies on transitioning to the pass through of the credit card transaction fees to customers as requested by Commission. The transition has been slow and has required additional staff time working with Tyler Technologies to initiate and set up the back-office administration for banking and notification requirements for this change. The change will be implemented no later than January 1, 2026.



**Monthly Financial  
Report  
June 2025**

**BRAINERD PUBLIC UTILITIES  
COMPARISON OF OPERATING RESULTS  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025 AND 2024**

	2025		2024	
	Amount	Percent of Sales	Amount	Percent of Sales
<b>OPERATING REVENUE</b>				
Department				
Electric	\$13,785,377	79.3%	\$13,828,288	79.7%
Water	1,951,400	11.2%	1,749,721	10.1%
Wastewater	1,648,734	9.5%	1,771,304	10.2%
Total Operating Revenue	<u>17,385,511</u>	<u>100.0%</u>	<u>17,349,313</u>	<u>100.0%</u>
<b>OPERATING EXPENSES</b>				
Salaries and Wages	2,861,310	16.5%	2,425,676	14.0%
Purchased Power	9,314,956	53.6%	9,305,500	53.6%
Operations and Maintenance	1,517,937	8.7%	1,391,848	8.0%
Other Charges	604,695	3.5%	459,175	2.6%
Employee Benefits	873,242	5.0%	827,465	4.8%
Insurance and Bonds	232,557	1.3%	88,955	0.5%
Depreciation and Amortization	2,709,924	15.6%	2,643,822	15.2%
Total Operating Expenses	<u>18,114,621</u>	<u>104.2%</u>	<u>17,142,441</u>	<u>98.8%</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(729,110)</u>	<u>-4.2%</u>	<u>206,872</u>	<u>1.2%</u>
<b>NONOPERATING REVENUE</b>				
Interest Revenue - Investments	228,050	1.3%	198,854	1.1%
Bond Premium	73,427	0.4%	73,262	0.4%
Interest Revenue - Notes Receivable	39,348	0.2%	41,158	0.2%
Interest Expense - Bonds	(383,129)	-2.2%	(367,643)	-2.1%
Local Option Sales Tax	1,002,099	5.8%	730,735	4.2%
Other	61,109	0.4%	15,646	0.1%
Total Nonoperating Revenue	<u>1,020,904</u>	<u>5.9%</u>	<u>692,012</u>	<u>4.0%</u>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS TO THE CITY</b>	291,794	1.7%	898,884	5.2%
<b>CAPITAL CONTRIBUTIONS</b>	-	0.0%	-	0.0%
<b>TRANSFERS TO THE CITY</b>	<u>(375,475)</u>	<u>-2.2%</u>	<u>(366,790)</u>	<u>-2.1%</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (83,681)</u>	<u>-0.5%</u>	<u>\$ 532,094</u>	<u>3.1%</u>

**BRainerd PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION BY DEPARTMENT**  
**JUNE 30, 2025 AND 2024**

	Electric	Water	Wastewater Treatment	Totals	
				2025	2024
<b>ASSETS</b>					
<b>UTILITY PLANT</b>					
Construction in Progress	\$ 1,673,816	\$ 643,177	\$ 1,404,516	\$ 3,721,509	\$ 7,315,713
Right-to-Use	430,613	18,402	18,402	467,417	461,978
In Service	51,590,281	40,060,232	42,850,942	134,501,455	125,868,420
Total Investment in Utility Plant	53,694,710	40,721,811	44,273,860	138,690,381	133,646,111
Less: Accumulated Depreciation	(28,993,129)	(17,552,763)	(23,645,439)	(70,191,331)	(64,903,140)
Net Utility Plant	24,701,581	23,169,048	20,628,421	68,499,050	68,742,971
<b>CASH AND INVESTMENTS</b>					
<u>Nonrestricted</u>	4,394,588	(3,268,039)	5,926,757	7,053,306	6,629,802
<u>Restricted</u>					
Customer Deposits	650,130	-	-	650,130	489,052
City of Brainerd Contribution	82,521	-	-	82,521	131,665
Conservation Incentive Program	749,845	-	-	749,845	497,462
Water and Sewer Accessibility Charges	-	621,024	7,138	628,162	684,102
Construction Bond Proceeds	-	-	-	-	-
Debt Service Reserve	1,117,250	1,449,702	2,139,099	4,706,051	4,799,827
Total Restricted Cash and Investments	2,599,746	2,070,726	2,146,237	6,816,709	6,602,108
Total Cash and Investments	6,994,334	(1,197,313)	8,072,994	13,870,015	13,231,910
<b>CURRENT ASSETS</b>					
Accounts Receivable	3,839,359	636,142	3,346,134	7,821,635	9,028,620
Interest Receivable	14,175	476	18,414	33,065	39,392
Inventory	2,274,608	139,748	-	2,414,356	2,272,285
Prepaid Expenses	132,066	32,950	21,825	186,841	299,474
Total Current Assets	6,260,208	809,316	3,386,373	10,455,897	11,639,771
<b>OTHER ASSETS</b>					
Bonds and Notes Receivable	-	-	-	-	-
Interest Receivable - Notes Receivable	-	-	32,774	32,774	30,400
Service Territory Acquisitions, Net of Accumulated Amortization	152,083	(91,425)	(17,351)	(126,127)	197,783
Deferred Outflows of Resources	287,943	95,980	95,980	479,903	1,050,947
Investment in Solar Generation Facility	617,954	-	-	617,954	662,073
Total Other Assets	966,555	78,629	111,403	1,004,504	1,941,203
Total Assets	38,922,678	22,859,680	32,199,191	93,829,466	95,555,855
<b>LIABILITIES AND NET ASSETS</b>					
<b>NET POSITION</b>					
Net Investment in Capital Assets	20,312,046	12,237,910	11,035,119	43,585,075	41,155,335
Restricted	-	1,565,801	2,058,008	3,623,809	3,701,485
Unrestricted	7,067,640	(3,240,255)	8,198,224	12,025,610	12,868,595
Total Net Position	27,379,686	10,563,456	21,291,351	59,234,493	57,725,415
<b>LONG-TERM LIABILITIES</b>					
Revenue Bonds Payable	3,310,000	10,245,000	2,338,200	15,893,200	17,127,400
PFA Construction Loan Payable	-	-	5,285,000	5,285,000	6,870,000
Compensated Absences	653,093	255,631	210,536	1,119,260	1,131,734
Other Postemployment Benefit Obligation	199,330	66,443	66,443	332,216	366,208
Net Pension Liability	1,241,138	413,713	413,713	2,068,564	3,405,460
Deferred Inflows of Resources	1,104,250	368,082	368,082	1,840,414	1,303,305
Capital Lease Payable	362,412	1,757	1,757	365,926	375,570
Revenue Bond Premium	28,653	606,313	90,541	725,507	779,610
Total Long-Term Liabilities	6,898,876	11,956,939	8,774,272	27,630,087	31,359,287
<b>CURRENT LIABILITIES</b>					
Accounts Payable	1,691,888	4,976	-	1,696,864	1,557,730
Revenue Bonds Payable	1,120,000	75,000	79,200	1,274,200	1,194,200
PFA Construction Loan Payable	-	-	1,585,000	1,585,000	1,585,000
Capital Lease Payable	11,470	3,068	3,068	17,606	28,497
Payable to City of Brainerd	82,521	-	259,687	342,208	394,601
Conservation Incentive Program Payable	749,845	-	-	749,845	497,462
Accrued Expenses					
Salaries and Withholding Taxes	137,652	134,148	92,748	364,548	294,714
Sales Taxes	189,584	5,994	-	195,578	192,623
Bond Interest	11,026	116,099	113,865	240,990	237,274
Customer Deposits	650,130	-	-	650,130	489,052
Total Current Liabilities	4,644,116	339,285	2,133,568	7,116,969	6,471,153
Total Liabilities	11,542,992	12,296,224	10,907,840	34,747,056	37,830,440
Total Liabilities and Net Position	\$ 38,922,678	\$ 22,859,680	\$ 32,199,191	\$ 93,981,549	\$ 95,555,855

**BRAINERD PUBLIC UTILITIES**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY DEPARTMENT**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025, 2024, AND 2023**

	06/30/2025				Totals	
	Electric	Water	Wastewater Treatment	Total	June 30,	
					2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>	\$ 13,594,483	\$ 1,916,338	\$ 1,171,519	\$ 16,682,340	\$ 16,472,768	\$ 13,812,076
<u>Other Operating Revenue</u>	190,894	35,062	477,215	703,171	876,545	636,067
Total Operating Revenue	13,785,377	1,951,400	1,648,734	17,385,511	17,349,313	14,448,143
<b>OPERATING EXPENSES</b>						
<u>Purchased Power</u>	9,314,956	-	-	9,314,956	9,305,500	6,109,197
<u>Production/Generation</u>						
Salaries and Wages	160,359	213,303	325,969	699,631	592,745	740,169
Operations and Maintenance	15,599	152,314	489,736	657,649	611,329	661,755
Employee Benefits	46,941	61,238	82,927	191,106	200,036	224,002
Other Charges	300	1,055	8,382	9,737	13,144	14,016
Total Generation/Production Expenses	223,199	427,910	907,014	1,558,123	1,417,254	1,639,942
<u>Distribution</u>						
Salaries and Wages	1,031,995	375,221	82,664	1,489,880	1,140,232	1,092,929
Operations and Maintenance	205,347	89,849	73,835	369,031	388,251	454,891
Employee Benefits	218,381	83,641	24,006	326,028	344,483	299,622
Other Charges	33,187	19,269	176	52,632	83,581	64,051
Total Distribution Expenses	1,488,910	567,980	180,681	2,237,571	1,956,547	1,911,493
<u>General and Administrative</u>						
Salaries and Wages	397,824	139,605	134,370	671,799	692,699	731,365
Operations and Maintenance	315,919	104,589	70,749	491,257	392,268	468,899
Insurance and Bonds	140,399	37,408	54,750	232,557	88,955	179,469
Employee Benefits	244,533	57,838	53,737	356,108	282,946	512,411
Other Charges	344,979	96,234	101,113	542,326	362,450	296,265
Total Gen. and Admin. Expenses	1,443,654	435,674	414,719	2,294,047	1,819,318	2,188,409
<u>Depreciation and Amortization</u>	1,195,884	667,020	847,020	2,709,924	2,643,822	2,520,931
Total Operating Expenses	13,666,603	2,098,584	2,349,434	18,114,621	17,142,441	14,369,972
<b>NET OPERATING INCOME (LOSS)</b>	118,774	(147,184)	(700,700)	(729,110)	206,872	78,171
<b>NONOPERATING REVENUE (EXPENSE)</b>						
Interest Revenue - Investments	8,011	4,479	215,560	228,050	198,854	8,051
Sale of Renewable Energy Credits	-	-	-	-	-	-
Bond Premium	5,238	61,266	6,923	73,427	73,262	85,575
Interest Revenue - Notes Receivable	-	-	39,348	39,348	41,158	53,835
Local Option Sales Tax	-	-	1,002,099	1,002,099	730,735	877,123
Interest Expense - Bonds	(63,092)	(162,585)	(157,452)	(383,129)	(367,643)	(427,355)
PERA Aid Revenue	-	-	-	-	-	-
Other	-	-	61,109	61,109	15,646	35,934
Total Nonoperating Revenue (Expense)	(49,843)	(96,840)	1,167,587	1,020,904	692,012	633,163
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	68,931	(244,024)	466,887	291,794	898,884	711,334
<b>TRANSFERS TO THE CITY</b>	(375,475)	-	-	(375,475)	(366,790)	(368,734)
<b>CHANGE IN NET POSITION</b>	\$ (306,544)	\$ (244,024)	\$ 466,887	\$ (83,681)	\$ 532,094	\$ 342,600

**BRAINERD PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION FOR ELECTRIC DEPARTMENT**  
**JUNE 30, 2025 AND 2024**

	June 30, 2025			2024
	Generation	Distribution	Total	
<b>ASSETS</b>				
<b>UTILITY PLANT</b>				
Construction in Progress	\$ 917,023	\$ 756,793	\$ 1,673,816	\$ 3,342,827
Right-to-Use	-	430,613	430,613	421,686
In Service	8,082,042	43,508,239	51,590,281	48,170,030
Total Investment in Utility Plant	8,999,065	44,695,645	53,694,710	51,934,543
Less: Accumulated Depreciation	(3,051,479)	(25,941,650)	(28,993,129)	(26,700,438)
Net Utility Plant	5,947,586	18,753,995	24,701,581	25,234,105
<b>CASH AND INVESTMENTS</b>				
<u>Nonrestricted</u>	(5,217,458)	9,612,046	4,394,588	4,465,020
<u>Restricted</u>				
Customer Deposits	-	650,130	650,130	489,052
City of Brainerd Contribution	-	82,521	82,521	131,665
Conservation Incentive Program	-	749,845	749,845	497,462
Debt Service Reserve	686,750	430,500	1,117,250	1,117,250
Total Restricted Cash and Investments	686,750	1,912,996	2,599,746	2,235,429
Total Cash and Investments	(4,530,708)	11,525,042	6,994,334	6,700,449
<b>CURRENT ASSETS</b>				
Accounts Receivable	-	3,839,359	3,839,359	3,875,157
Interest Receivable	-	14,175	14,175	16,728
Inventory	-	2,274,608	2,274,608	2,135,887
Prepaid Expenses	31,295	100,771	132,066	191,683
Total Current Assets	31,295	6,228,913	6,260,208	6,219,455
<b>OTHER ASSETS</b>				
Service Territory Acquisitions, Net of Accumulated Amortization	-	152,083	152,083	
	-	(91,425)	(91,425)	197,783
Deferred Outflows of Resources	47,991	239,952	287,943	630,567
Investment in Solar Generation Facility	-	617,954	617,954	662,073
Total Other Assets	47,991	918,564	966,555	1,490,423
Total Assets	1,496,164	37,426,514	38,922,678	39,644,432
<b>LIABILITIES AND NET ASSETS</b>				
Net Investment in Capital Assets	3,187,433	17,124,613	20,312,046	19,820,537
Unrestricted	(5,284,998)	12,352,638	7,067,640	7,099,991
Total Net Position	(2,097,565)	29,477,251	27,379,686	26,920,528
<b>LONG-TERM LIABILITIES</b>				
Revenue Bonds Payable	2,370,000	940,000	3,310,000	4,500,000
Compensated Absences	71,409	581,684	653,093	670,008
Other Postemployment Benefit Obligation	33,222	166,108	199,330	219,726
Net Pension Liability	206,856	1,034,282	1,241,138	2,043,276
Deferred Inflows of Resources	184,042	920,208	1,104,250	781,983
Capital Lease Payable	-	362,412	362,412	369,696
Revenue Bond Premium	28,653	-	28,653	39,935
Total Long-Term Liabilities	2,894,182	4,004,694	6,898,876	8,624,624
<b>CURRENT LIABILITIES</b>				
Accounts Payable	-	1,691,888	1,691,888	1,552,359
Revenue Bonds Payable	665,000	455,000	1,120,000	1,040,000
Capital Lease Payable	-	11,470	11,470	17,937
Payable to City of Brainerd	-	82,521	82,521	131,665
Conservation Incentive Program Payable	-	749,845	749,845	497,462
Accrued Expenses				
Salaries and Withholding Taxes	26,015	111,637	137,652	162,243
Sales Taxes	202	189,382	189,584	187,704
Bond Interest	8,330	2,696	11,026	20,858
Customer Deposits	-	650,130	650,130	489,052
Total Current Liabilities	699,547	3,944,569	4,644,116	4,099,280
Total Liabilities	3,593,729	7,949,263	11,542,992	12,723,904
Total Liabilities and Net Position	\$ 1,496,164	\$ 37,426,514	\$ 38,922,678	\$ 39,644,432

**BRainerd PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - ELECTRIC DEPARTMENT**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025, 2024, AND 2023**

	June 30, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current Month	Year to Date			2024	June 30, 2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 487,365	\$ 3,235,738	\$ 3,480,000	\$ (244,262)	\$ 3,125,159	\$ 3,439,762
Commercial	846,488	4,913,688	5,310,000	(396,312)	4,857,312	5,165,746
Medium/Large Commercial	170,903	910,678	1,374,000	(463,322)	1,107,510	1,281,201
Industrial	682,215	3,964,034	4,500,000	(535,966)	3,906,365	688,651
City of Brainerd	30,461	175,993	181,200	(5,207)	176,215	181,874
BPU	51,349	394,351	390,000	4,351	395,865	429,969
Total Utility Revenue	2,268,781	13,594,483	15,235,200	(1,640,717)	13,568,426	11,187,203
<u>Other Operating Revenue</u>						
Penalties	10,249	80,596	51,000	29,596	71,507	63,683
Other	30,287	110,298	114,200	(3,902)	188,355	147,709
Total Other Operating Revenue	40,536	190,894	165,200	25,694	259,862	211,392
Total Operating Revenue	2,309,317	13,785,377	15,400,400	(1,615,023)	13,828,288	11,398,595
<b>OPERATING EXPENSES</b>						
<u>Purchased Power</u>						
All Other Customers	1,033,044	5,523,826	6,120,000	596,174	5,337,018	5,083,316
Solar Generation - Airport	67,883	348,957	360,000	11,043	360,436	409,137
Crypto Mining Customers	608,167	3,442,173	3,500,000	57,827	3,608,046	616,744
Total Purchased Power Expense	1,709,094	9,314,956	9,980,000	665,044	9,305,500	6,109,197
<u>Generation</u>						
Salaries and Wages	23,622	160,359	118,250	(42,109)	139,227	290,889
Operations and Maintenance	1,421	15,599	20,550	4,951	11,915	27,598
Employee Benefits	7,683	46,941	25,800	(21,141)	48,841	80,886
Other Charges	-	300	3,000	2,700	1,779	220
Depreciation	27,300	163,800	163,200	(600)	164,400	163,200
Total Generation Expenses	60,026	386,999	330,800	(56,199)	366,162	562,793
<u>Distribution</u>						
Salaries and Wages	117,552	1,031,995	1,011,150	(20,845)	794,543	751,555
Operations and Maintenance	39,961	205,347	308,800	103,453	213,624	169,264
Employee Benefits	28,661	218,381	242,400	24,019	250,257	202,626
Other Charges	498	33,187	34,300	1,113	59,315	44,766
Depreciation and Amortization	154,600	927,600	857,700	(69,900)	881,900	855,000
Total Distribution Expenses	341,272	2,416,510	2,454,350	37,840	2,199,639	2,023,211
<u>General and Administrative</u>						
Salaries and Wages	50,489	397,824	564,800	166,976	422,778	432,080
Operations and Maintenance	38,562	315,919	346,840	30,921	242,577	298,742
Insurance and Bonds	18,754	140,399	133,900	(6,499)	59,217	105,729
Employee Benefits	24,468	244,533	260,100	15,567	158,771	301,317
Other Charges	69,968	344,979	268,500	(76,479)	226,554	198,576
Depreciation and Amortization	17,414	104,484	87,050	(17,434)	91,284	85,893
Total Gen. and Admin. Expenses	219,655	1,548,138	1,661,190	113,052	1,201,181	1,422,337
Total Operating Expenses	2,330,047	13,666,603	14,426,340	759,737	13,072,482	10,117,538
<b>NET OPERATING INCOME</b>	(20,730)	118,774	974,060	(855,286)	755,806	1,281,057
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	14,791	8,011	4,800	3,211	43,139	(28,302)
Interest Expense - Bonds	(10,343)	(63,092)	(78,400)	15,308	(83,882)	(95,874)
Sale of Renewable Energy Credits	-	-	-	-	-	-
Bond Premium	873	5,238	6,600	(1,362)	6,048	7,262
PERA Aid Revenue	-	-	-	-	-	-
Gain on Disposal of Capital Assets	-	-	600	(600)	-	-
Total Nonoperating Revenue	5,321	(49,843)	(66,400)	16,557	(34,695)	(116,914)
<b>INCOME BEFORE TRANSFERS TO THE CITY</b>	(15,409)	68,931	907,660	(838,729)	721,111	1,164,143
<b>TRANSFERS TO THE CITY</b>	(60,886)	(375,475)	(340,000)	(35,475)	(366,790)	(368,734)
<b>CHANGE IN NET POSITION</b>	\$ (76,295)	\$ (306,544)	\$ 567,660	\$ (874,204)	\$ 354,321	\$ 795,409

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - ELECTRIC DEPARTMENT  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025, 2024, AND 2023**

	KWH SOLD			REVENUE			AVERAGE REVENUE PER KWH		
	PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	27,381,154	25,513,024	27,417,206	\$ 3,235,738	\$ 3,125,159	\$ 3,439,762	\$ 0.1182	\$ 0.1225	\$ 0.1255
Commercial	19,463,263	18,797,644	19,717,714	4,913,688	4,857,312	5,165,746	0.2525	0.2584	0.2620
Medium/Large Commercial	31,498,544	32,248,357	33,651,532	910,678	1,107,510	1,969,852	0.0289	0.0343	0.0585
Industrial	83,863,419	79,609,182	10,449,323	3,964,034	3,906,365	688,651	0.0473	0.0491	0.0659
City	1,041,719	1,026,504	977,045	175,993	176,215	181,874	0.1689	0.1717	0.1861
BPU	3,753,572	3,659,737	3,850,654	394,351	395,865	429,969	0.1051	0.1082	0.1117
Total	<u>167,001,671</u>	<u>160,854,448</u>	<u>96,063,474</u>	<u>13,594,482</u>	<u>13,568,426</u>	<u>11,875,854</u>	<u>\$ 0.0814</u>	<u>\$ 0.0844</u>	<u>\$ 0.1236</u>
% Change From Previous Year	<u>3.82%</u>	<u>67.45%</u>	<u>NA</u>	<u>0.19%</u>	<u>14.25%</u>	<u>NA</u>	<u>-3.50%</u>	<u>-31.77%</u>	<u>NA</u>

	% TO TOTAL - KWH			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	16.40%	15.86%	28.54%	23.80%	23.03%	28.96%	6,951	6,946	6,917
Commercial	11.65%	11.69%	20.53%	36.14%	35.80%	43.50%	1,230	1,227	1,224
Medium/Large Commercial	18.86%	20.05%	35.03%	6.70%	8.16%	16.59%	64	67	69
Industrial	50.22%	49.49%	10.88%	29.16%	28.79%	5.80%	1	1	1
City	0.62%	0.64%	1.02%	1.29%	1.30%	1.53%	49	48	49
BPU	2.25%	2.28%	4.01%	2.90%	2.92%	3.62%	37	37	36
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>8,332</u>	<u>8,326</u>	<u>8,296</u>
% Change From Previous Year							<u>0.07%</u>	<u>0.36%</u>	<u>NA</u>

**BRainerd PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WATER DEPARTMENT**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025, 2024, AND 2023**

	June 30, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current	Year to			June 30,	
	Month	Date			2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 181,476	\$ 960,349	\$ 913,250	\$ 47,099	\$ 774,416	\$ 786,740
Commercial	174,753	836,178	964,800	(128,622)	719,880	634,181
City of Brainerd	19,209	66,064	74,650	(8,586)	54,915	61,132
BPU	13,614	53,747	55,850	(2,103)	44,711	41,243
Total Utility Revenue	389,052	1,916,338	2,008,550	(92,212)	1,593,922	1,523,296
<u>Other Operating Revenue</u>						
Penalties	3,153	16,492	10,200	6,292	13,452	11,293
Other	1,498	18,570	32,600	(14,030)	142,347	13,575
Total Other Operating Revenue	4,651	35,062	42,800	(7,738)	155,799	24,868
Total Operating Revenue	393,703	1,951,400	2,051,350	(99,950)	1,749,721	1,548,164
<b>OPERATING EXPENSES</b>						
<u>Production</u>						
Salaries and Wages	25,124	213,303	258,800	45,497	233,545	227,474
Operations and Maintenance	33,951	152,314	139,700	(12,614)	152,163	112,163
Employee Benefits	11,014	61,238	88,200	26,962	79,759	82,878
Other Charges	-	1,055	360	(695)	470	545
Depreciation	17,400	104,400	133,800	29,400	91,200	133,200
Total Production Expenses	87,489	532,310	620,860	88,550	557,137	556,260
<u>Distribution</u>						
Salaries and Wages	33,520	375,221	295,850	(79,371)	295,352	300,158
Operations and Maintenance	22,836	89,849	139,500	49,651	93,805	179,888
Employee Benefits	12,289	83,641	99,600	15,959	75,433	82,150
Other Charges	40	19,269	12,800	(6,469)	22,629	17,154
Depreciation	88,700	532,200	516,450	(15,750)	512,400	407,400
Total Distribution Expenses	157,385	1,100,180	1,064,200	(35,980)	999,619	986,750
<u>General and Administrative</u>						
Salaries and Wages	17,690	139,605	214,195	74,590	139,041	152,890
Operations and Maintenance	12,565	104,589	113,400	8,811	73,487	91,746
Insurance and Bonds	5,097	37,408	34,200	(3,208)	14,095	34,903
Employee Benefits	8,357	57,838	83,400	25,562	65,272	107,994
Other Charges	20,815	96,234	83,400	(12,834)	64,642	45,128
Depreciation	5,070	30,420	27,800	(2,620)	27,418	23,820
Total Gen. and Admin. Expenses	69,594	466,094	556,395	90,301	383,955	456,481
Total Operating Expenses	314,468	2,098,584	2,241,455	142,871	1,940,711	1,999,491
<b>NET OPERATING INCOME (LOSS)</b>	79,235	(147,184)	(190,105)	42,921	(190,990)	(451,327)
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	3,138	4,479	4,800	(321)	11,184	10,264
Local Option Sales Tax - Baxter	-	-	174,600	(174,600)	-	192,768
Bond Premium	10,189	61,266	73,800	(12,534)	62,942	73,817
Bond Issuance Costs	-	-	-	-	-	-
Interest Expense - Bonds	(26,819)	(162,585)	(151,200)	(11,385)	(138,091)	(158,636)
PERA Aid Revenue	-	-	-	-	-	-
Gain on Disposal of Capital Assets	-	-	-	-	832	-
Total Nonoperating Revenue	(13,492)	(96,840)	102,000	(198,840)	(63,133)	118,213
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	65,743	(244,024)	(88,105)	(155,919)	(254,123)	(333,114)
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<u>\$ 65,743</u>	<u>\$ (244,024)</u>	<u>\$ (88,105)</u>	<u>\$ (155,919)</u>	<u>\$ (254,123)</u>	<u>\$ (333,114)</u>

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WATER DEPARTMENT  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025, 2024, AND 2023**

	GALLONS SOLD			REVENUE			AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	79,220,911	72,645,283	80,787,763	\$ 960,349	\$ 774,416	\$ 786,740	\$ 12.12	\$ 10.66	\$ 9.74
Commercial	106,892,811	101,612,554	101,358,197	948,951	773,325	730,938	8.88	7.61	7.21
City of Baxter	320,000	10,251,000	646,000	7,038	46,181	3,026	21.99	4.51	4.68
<b>Total</b>	<b>186,433,722</b>	<b>184,508,837</b>	<b>182,791,960</b>	<b>\$ 1,916,338</b>	<b>\$ 1,593,922</b>	<b>\$ 1,520,704</b>	<b>\$ 10.28</b>	<b>\$ 8.64</b>	<b>\$ 8.32</b>
% Change From Previous Year	1.04%	0.94%	NA	20.23%	4.81%	NA	18.99%	3.84%	NA

	% TO TOTAL - GALLONS			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	42.49%	39.37%	44.20%	50.11%	48.59%	51.74%	4,091	4,082	4,065
Commercial	57.34%	55.07%	55.45%	49.52%	48.52%	48.07%	988	989	983
City of Baxter	0.17%	5.56%	0.35%	0.37%	2.90%	0.20%	1	1	1
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>5,080</b>	<b>5,072</b>	<b>5,049</b>
% Change From Previous Year							0.16%	0.46%	NA

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WASTEWATER TREATMENT DEPARTMENT**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025, 2024, AND 2023**

	June 30, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current Month	Year to Date			June 30,	
					2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 128,624	\$ 797,731	\$ 783,000	\$ 14,731	\$ 766,407	\$ 715,050
Commercial	72,093	373,788	568,300	(194,512)	544,013	386,527
Total Utility Revenue	200,717	1,171,519	1,351,300	(179,781)	1,310,420	1,101,577
<u>Other Operating Revenue</u>						
Penalties	3,451	20,751	13,800	6,951	18,613	14,983
Reimbursement of Expenses - Baxter	81,096	449,133	400,000	49,133	392,554	384,101
Other	939	7,331	25,500	(18,169)	49,717	723
Total Other Operating Revenue	85,486	477,215	439,300	37,915	460,884	399,807
Total Operating Revenue	286,203	1,648,734	1,790,600	(141,866)	1,771,304	1,501,384
<b>OPERATING EXPENSES</b>						
<u>Treatment</u>						
Salaries and Wages	35,600	325,969	228,400	(97,569)	219,973	221,806
Operations and Maintenance	108,881	489,736	526,750	37,014	447,251	521,994
Employee Benefits	12,042	82,927	78,200	(4,727)	71,436	60,238
Other Charges	675	8,382	20,100	11,718	10,895	13,251
Depreciation	119,200	715,200	708,000	(7,200)	715,200	702,000
Total Treatment Expenses	276,398	1,622,214	1,561,450	(60,764)	1,464,755	1,519,289
<u>Lift Stations</u>						
Salaries and Wages	8,990	82,664	83,650	986	50,337	41,216
Operations and Maintenance	9,235	73,835	95,900	22,065	80,822	105,739
Employee Benefits	3,575	24,006	26,400	2,394	18,793	14,846
Other Charges	21	176	1,200	1,024	1,637	2,131
Depreciation	18,000	108,000	134,400	26,400	138,000	133,200
Total Collection Expenses	39,821	288,681	341,550	52,869	289,589	297,132
<u>General and Administrative</u>						
Salaries and Wages	17,045	134,370	190,395	56,025	130,880	146,395
Operations and Maintenance	6,978	70,749	87,740	16,991	76,204	78,411
Insurance and Bonds	7,062	54,750	42,850	(11,900)	15,643	38,837
Employee Benefits	7,698	53,737	77,400	23,663	58,903	103,100
Other Charges	21,244	101,113	87,775	(13,338)	71,254	52,561
Depreciation and Amortization	3,970	23,820	17,450	(6,370)	22,020	17,218
Total Gen. and Admin. Expenses	63,997	438,539	503,610	65,071	374,904	436,522
Total Operating Expenses	380,216	2,349,434	2,406,610	57,176	2,129,248	2,252,943
<b>NET OPERATING LOSS</b>	(94,013)	(700,700)	(616,010)	(84,690)	(357,944)	(751,559)
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	67,115	215,560	50,000	165,560	144,531	26,089
Interest Revenue - Notes Receivable	6,558	39,348	-	39,348	41,158	53,835
Interest Expense - Bonds	(26,565)	(157,452)	(181,800)	24,348	(145,670)	(172,845)
Bond Premium	1,232	6,923	4,200	2,723	4,272	4,496
Local Option Sales Tax - Brainerd	122,982	1,002,099	736,200	265,899	730,735	638,091
Local Option Sales Tax - Baxter	-	-	36,600	(36,600)	-	46,264
Federal Grant Revenue - Build America Bond	5,100	61,109	31,200	29,909	14,814	35,934
PERA Aid Revenue	-	-	-	-	-	-
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenue	176,422	1,167,587	676,400	491,187	789,840	631,864
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	82,409	466,887	60,390	406,497	431,896	(119,695)
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	\$ 82,409	\$ 466,887	\$ 60,390	\$ 406,497	\$ 431,896	\$ (119,695)

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WASTEWATER TREATMENT DEPARTMENT  
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025, 2024, AND 2023**

	GALLONS PROCESSED			REVENUE			AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	78,716,403	72,213,302	80,189,371	\$ 797,731	\$ 766,407	\$ 715,050	\$ 10.13	\$ 10.61	\$ 8.92
Commercial	78,676,770	81,029,520	77,180,265	373,788	544,013	386,527	4.75	6.71	5.01
City of Baxter	116,896,000	115,087,000	118,372,000	449,133	392,554	384,101	3.84	3.41	3.24
<b>Total</b>	<b>274,289,173</b>	<b>268,329,822</b>	<b>275,741,636</b>	<b>\$ 1,620,652</b>	<b>\$ 1,702,974</b>	<b>\$ 1,485,678</b>	<b>\$ 5.91</b>	<b>\$ 6.35</b>	<b>\$ 5.39</b>
% Change From Previous Year	2.22%	-2.69%	NA	-4.83%	14.63%	NA	-6.90%	17.79%	NA
	% TO TOTAL - GALLONS			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,			PERIOD ENDED JUNE 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	28.70%	26.91%	29.08%	49.22%	45.00%	48.13%	4,072	4,057	4,048
Commercial	28.68%	30.20%	27.99%	23.06%	31.94%	26.02%	842	845	844
City of Baxter	42.62%	42.89%	42.93%	27.71%	23.05%	25.85%	1	1	1
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4,915</b>	<b>4,903</b>	<b>4,893</b>
% Change From Previous Year							0.24%	0.20%	NA



**Monthly Financial  
Report  
July 2025**

**BRAINERD PUBLIC UTILITIES  
COMPARISON OF OPERATING RESULTS  
FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2025 AND 2024**

	2025		2024	
	Amount	Percent of Sales	Amount	Percent of Sales
<b>OPERATING REVENUE</b>				
Department				
Electric	\$16,521,702	79.3%	\$16,208,528	79.7%
Water	2,351,703	11.3%	2,081,090	10.2%
Wastewater	1,968,250	9.4%	2,054,937	10.1%
Total Operating Revenue	<u>20,841,655</u>	<u>100.0%</u>	<u>20,344,555</u>	<u>100.0%</u>
<b>OPERATING EXPENSES</b>				
Salaries and Wages	3,225,815	15.5%	2,748,016	13.5%
Purchased Power	11,153,963	53.5%	11,025,161	54.2%
Operations and Maintenance	1,810,143	8.7%	1,720,222	8.5%
Other Charges	696,459	3.3%	562,709	2.8%
Employee Benefits	987,110	4.7%	948,509	4.7%
Insurance and Bonds	250,959	1.2%	249,938	1.2%
Depreciation and Amortization	3,161,578	15.2%	3,088,075	15.2%
Total Operating Expenses	<u>21,286,027</u>	<u>102.1%</u>	<u>20,342,630</u>	<u>100.0%</u>
<b>OPERATING INCOME</b>	<u>(444,372)</u>	<u>-2.1%</u>	<u>1,925</u>	<u>0.0%</u>
<b>NONOPERATING REVENUE</b>				
Interest Revenue - Investments	253,374	1.2%	321,698	1.6%
Bond Premium	85,721	0.4%	85,472	0.4%
Interest Revenue - Notes Receivable	45,906	0.2%	48,758	1.6%
Interest Expense - Bonds	(448,983)	-2.2%	(430,928)	-2.1%
Local Option Sales Tax	1,124,241	5.4%	852,822	4.2%
Other	69,751	0.3%	20,746	0.1%
Total Nonoperating Revenue	<u>1,130,010</u>	<u>5.4%</u>	<u>898,568</u>	<u>5.8%</u>
<b>INCOME BEFORE OPERATING TRANSFERS TO THE CITY</b>	685,638	3.3%	900,493	4.4%
<b>TRANSFERS TO THE CITY</b>	<u>(446,442)</u>	<u>-2.1%</u>	<u>(435,470)</u>	<u>-2.1%</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 239,196</u>	<u>1.1%</u>	<u>\$ 465,023</u>	<u>2.3%</u>

**BRainerd PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION BY DEPARTMENT**  
**JULY 31, 2025 AND 2024**

ASSETS	Electric	Water	Wastewater Treatment	Totals	
				2025	2024
<b>UTILITY PLANT</b>					
Construction in Progress	\$ 1,714,590	\$ 643,801	\$ 1,487,421	\$ 3,845,812	\$ 7,535,559
Right-to-Use	430,613	18,402	18,402	467,417	461,978
In Service	<u>51,831,047</u>	<u>40,061,750</u>	<u>42,850,942</u>	<u>134,743,739</u>	<u>125,908,478</u>
Total Investment in Utility Plant	53,976,250	40,723,953	44,356,765	139,056,968	133,906,015
Less: Accumulated Depreciation	<u>(29,185,929)</u>	<u>(17,663,463)</u>	<u>(23,785,739)</u>	<u>(70,635,131)</u>	<u>(65,341,192)</u>
Net Utility Plant	<u>24,790,321</u>	<u>23,060,490</u>	<u>20,571,026</u>	<u>68,421,837</u>	<u>68,564,823</u>
<b>CASH AND INVESTMENTS</b>					
<u>Nonrestricted</u>	5,232,162	(3,060,595)	6,051,760	8,223,327	8,398,393
<u>Restricted</u>					
Customer Deposits	643,197	-	-	643,197	513,782
City of Brainerd Contribution	92,602	-	-	92,602	138,324
Conservation Incentive Program	555,559	-	-	555,559	533,464
Water and Sewer Accessibility Charges	-	621,024	7,138	628,162	684,102
Construction Bond Proceeds	-	-	-	-	-
Debt Service Reserve	<u>1,117,250</u>	<u>1,449,702</u>	<u>2,139,099</u>	<u>4,706,051</u>	<u>4,799,827</u>
Total Restricted Cash and Investments	<u>2,408,608</u>	<u>2,070,726</u>	<u>2,146,237</u>	<u>6,625,571</u>	<u>6,669,499</u>
Total Cash and Investments	7,640,770	(989,869)	8,197,997	14,848,898	15,067,892
<b>CURRENT ASSETS</b>					
Accounts Receivable	3,338,068	643,762	3,403,749	7,385,579	7,315,502
Interest Receivable	13,041	1,137	26,225	40,403	35,802
Inventory	2,240,610	143,677	-	2,384,287	2,354,812
Prepaid Expenses	<u>106,611</u>	<u>27,778</u>	<u>32,686</u>	<u>167,075</u>	<u>221,406</u>
Total Current Assets	<u>5,698,330</u>	<u>816,354</u>	<u>3,462,660</u>	<u>9,977,344</u>	<u>9,927,522</u>
<b>OTHER ASSETS</b>					
Bonds and Notes Receivable	-	-	-	-	-
Interest Receivable - Notes Receivable	-	-	2,314	2,314	38,000
Service Territory Acquisitions, Net of Accumulated Amortization	148,083	(94,339)	(17,821)	(129,981)	191,583
Deferred Outflows of Resources	287,943	95,980	95,980	479,903	1,050,947
Investment in Solar Generation Facility	617,954	-	-	617,954	662,073
Total Other Assets	<u>959,641</u>	<u>78,159</u>	<u>80,473</u>	<u>970,190</u>	<u>1,942,603</u>
Total Assets	<u>39,089,062</u>	<u>22,965,134</u>	<u>32,312,156</u>	<u>94,218,269</u>	<u>95,502,840</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>NET POSITION</b>					
Net Investment in Capital Assets	20,402,068	12,139,677	10,973,972	43,515,717	40,990,480
Restricted	-	1,593,516	2,000,098	3,593,614	3,642,199
Unrestricted	<u>7,159,768</u>	<u>(3,102,733)</u>	<u>8,391,004</u>	<u>12,448,040</u>	<u>13,025,663</u>
Total Net Position	<u>27,561,836</u>	<u>10,630,460</u>	<u>21,365,074</u>	<u>59,557,370</u>	<u>57,658,342</u>
<b>LONG-TERM LIABILITIES</b>					
Revenue Bonds Payable	3,310,000	10,245,000	2,338,200	15,893,200	17,127,400
PFA Construction Loan Payable	-	-	5,285,000	5,285,000	6,870,000
Compensated Absences	663,659	255,205	215,657	1,134,521	1,057,977
Other Postemployment Benefit Obligation	199,331	66,443	66,443	332,217	366,208
Net Pension Liability	1,241,138	413,713	413,713	2,068,564	3,405,460
Deferred Inflows of Resources	1,104,250	368,082	368,082	1,840,414	1,303,305
Capital Lease Payable	362,002	1,620	1,620	365,242	371,596
Revenue Bond Premium	<u>27,781</u>	<u>596,125</u>	<u>89,309</u>	<u>713,215</u>	<u>767,401</u>
Total Long-Term Liabilities	<u>6,908,161</u>	<u>11,946,188</u>	<u>8,778,024</u>	<u>27,632,373</u>	<u>31,269,347</u>
<b>CURRENT LIABILITIES</b>					
Accounts Payable	1,821,799	9,166	-	1,830,965	1,663,805
Revenue Bonds Payable	1,120,000	75,000	79,200	1,274,200	1,194,200
PFA Construction Loan Payable	-	-	1,585,000	1,585,000	1,585,000
Capital Lease Payable	11,470	3,068	3,068	17,606	28,497
Payable to City of Brainerd	92,602	-	257,875	350,477	398,852
Conservation Incentive Program Payable	555,559	-	-	555,559	533,464
Accrued Expenses					
Salaries and Withholding Taxes	149,629	151,106	102,600	403,335	351,279
Sales Taxes	203,095	6,332	-	209,427	197,233
Bond Interest	21,714	143,814	141,315	306,843	109,039
Customer Deposits	<u>643,197</u>	<u>-</u>	<u>-</u>	<u>643,197</u>	<u>513,782</u>
Total Current Liabilities	<u>4,619,065</u>	<u>388,486</u>	<u>2,169,058</u>	<u>7,176,609</u>	<u>6,575,151</u>
Total Liabilities	<u>11,527,226</u>	<u>12,334,674</u>	<u>10,947,082</u>	<u>34,808,982</u>	<u>37,844,498</u>
Total Liabilities and Net Position	<u>\$ 39,089,062</u>	<u>\$ 22,965,134</u>	<u>\$ 32,312,156</u>	<u>\$ 94,366,352</u>	<u>\$ 95,502,840</u>

**BRAINERD PUBLIC UTILITIES**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY DEPARTMENT**  
**FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2025, 2024, AND 2023**

	07/31/2025				Totals	
	Electric	Water	Wastewater Treatment	Total	July 31,	
					2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>	\$ 16,313,584	\$ 2,312,449	\$ 1,389,581	\$ 20,015,614	\$ 19,339,651	\$ 16,646,022
<u>Other Operating Revenue</u>	208,118	39,254	578,669	826,041	1,004,904	755,835
Total Operating Revenue	16,521,702	2,351,703	1,968,250	20,841,655	20,344,555	17,401,857
<b>OPERATING EXPENSES</b>						
<u>Purchased Power</u>	11,153,963	-	-	11,153,963	11,025,161	7,582,966
<u>Production/Generation</u>						
Salaries and Wages	179,689	245,682	368,640	794,011	695,194	842,593
Operations and Maintenance	18,075	174,341	581,732	774,148	722,540	773,503
Employee Benefits	54,450	72,008	94,958	221,416	226,572	258,241
Other Charges	300	1,400	9,290	10,990	16,552	15,685
Total Generation/Production Expenses	252,514	493,431	1,054,620	1,800,565	1,660,858	1,890,022
<u>Distribution</u>						
Salaries and Wages	1,132,027	423,612	93,756	1,649,395	1,276,311	1,223,625
Operations and Maintenance	250,174	102,468	84,004	436,646	463,451	515,369
Employee Benefits	235,291	95,847	28,412	359,550	371,748	338,403
Other Charges	37,490	19,285	176	56,951	86,754	69,443
Total Distribution Expenses	1,654,982	641,212	206,348	2,502,542	2,198,264	2,146,840
<u>General and Administrative</u>						
Salaries and Wages	467,598	160,217	154,594	782,409	776,511	821,815
Operations and Maintenance	388,499	126,796	84,054	599,349	534,231	538,560
Insurance and Bonds	156,184	39,112	55,663	250,959	249,938	207,341
Employee Benefits	277,829	66,495	61,820	406,144	350,189	534,798
Other Charges	401,693	110,301	116,524	628,518	459,403	362,584
Total Gen. and Admin. Expenses	1,691,803	502,921	472,655	2,667,379	2,370,272	2,465,098
<u>Depreciation and Amortization</u>	1,395,198	778,190	988,190	3,161,578	3,088,075	2,940,083
Total Operating Expenses	16,148,460	2,415,754	2,721,813	21,286,027	20,342,630	17,025,009
<b>NET OPERATING INCOME (LOSS)</b>	373,242	(64,051)	(753,563)	(444,372)	1,925	376,848
<b>NONOPERATING REVENUE (EXPENSE)</b>						
Interest Revenue - Investments	12,933	5,877	234,564	253,374	321,698	85,497
Sale of Renewable Energy Credits	-	-	-	-	-	-
Bond Premium	6,111	71,455	8,155	85,721	85,472	99,784
Interest Revenue - Notes Receivable	-	-	45,906	45,906	48,758	62,935
Local Option Sales Tax	-	-	1,124,241	1,124,241	852,822	1,023,416
Interest Expense - Bonds	(73,781)	(190,300)	(184,902)	(448,983)	(430,928)	(500,155)
Other	3,542	-	66,209	69,751	20,746	42,034
Total Nonoperating Revenue (Expense)	(51,195)	(112,968)	1,294,173	1,130,010	898,568	813,511
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	322,047	(177,019)	540,610	685,638	900,493	1,190,359
<b>TRANSFERS TO THE CITY</b>	(446,442)	-	-	(446,442)	(435,470)	(437,473)
<b>CHANGE IN NET POSITION</b>	\$ (124,395)	\$ (177,019)	\$ 540,610	\$ 239,196	\$ 465,023	\$ 752,886

**BRainerd PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION FOR ELECTRIC DEPARTMENT**  
**JULY 31, 2025 AND 2024**

	July 31, 2025			2024
	Generation	Distribution	Total	
<b>ASSETS</b>				
<b>UTILITY PLANT</b>				
Construction in Progress	\$ 922,805	\$ 791,785	\$ 1,714,590	\$ 3,422,374
Right-to-Use	-	430,613	430,613	421,686
In Service	8,082,166	43,748,881	51,831,047	48,210,088
Total Investment in Utility Plant	9,004,971	44,971,279	53,976,250	52,054,148
Less: Accumulated Depreciation	(3,079,479)	(26,106,450)	(29,185,929)	(26,887,452)
Net Utility Plant	5,925,492	18,864,829	24,790,321	25,166,696
<b>CASH AND INVESTMENTS</b>				
<u>Nonrestricted</u>	(5,175,189)	10,407,351	5,232,162	5,244,971
<u>Restricted</u>				
Customer Deposits	-	643,197	643,197	513,782
City of Brainerd Contribution	-	92,602	92,602	138,324
Conservation Incentive Program	-	555,559	555,559	533,464
Debt Service Reserve	686,750	430,500	1,117,250	1,117,250
Total Restricted Cash and Investments	686,750	1,721,858	2,408,608	2,302,820
Total Cash and Investments	(4,488,439)	12,129,209	7,640,770	7,547,791
<b>CURRENT ASSETS</b>				
Accounts Receivable	-	3,338,068	3,338,068	3,133,467
Interest Receivable	-	13,041	13,041	15,183
Inventory	-	2,240,610	2,240,610	2,218,457
Prepaid Expenses	19,349	87,262	106,611	155,516
Total Current Assets	19,349	5,678,981	5,698,330	5,522,623
<b>OTHER ASSETS</b>				
Service Territory Acquisitions, Net of Accumulated Amortization	-	148,083	148,083	
	-	(94,339)	(94,339)	191,583
Deferred Outflows of Resources	47,991	239,952	287,943	630,567
Investment in Solar Generation Facility	-	617,954	617,954	662,073
Total Other Assets	47,991	911,650	959,641	1,484,223
Total Assets	1,504,393	37,584,669	39,089,062	39,721,333
<b>LIABILITIES AND NET ASSETS</b>				
Net Investment in Capital Assets	3,166,211	17,235,857	20,402,068	19,756,520
Unrestricted	(5,261,569)	12,421,337	7,159,768	7,085,931
Total Net Position	(2,095,358)	29,657,194	27,561,836	26,842,451
<b>LONG-TERM LIABILITIES</b>				
Revenue Bonds Payable	2,370,000	940,000	3,310,000	4,500,000
Compensated Absences	70,740	592,919	663,659	604,926
Other Postemployment Benefit Obligation	33,222	166,109	199,331	219,726
Net Pension Liability	206,856	1,034,282	1,241,138	2,043,276
Deferred Inflows of Resources	184,042	920,208	1,104,250	781,983
Capital Lease Payable	-	362,002	362,002	367,312
Revenue Bond Premium	27,781	-	27,781	38,927
Total Long-Term Liabilities	2,892,641	4,015,520	6,908,161	8,556,150
<b>CURRENT LIABILITIES</b>				
Accounts Payable	-	1,821,799	1,821,799	1,654,447
Revenue Bonds Payable	665,000	455,000	1,120,000	1,040,000
Capital Lease Payable	-	11,470	11,470	17,937
Payable to City of Brainerd	-	92,602	92,602	138,324
Conservation Incentive Program Payable	-	555,559	555,559	533,464
Accrued Expenses				
Salaries and Withholding Taxes	25,709	123,920	149,629	198,342
Sales Taxes	(1)	203,096	203,095	192,343
Bond Interest	16,402	5,312	21,714	34,093
Customer Deposits	-	643,197	643,197	513,782
Total Current Liabilities	707,110	3,911,955	4,619,065	4,322,732
Total Liabilities	3,599,751	7,927,475	11,527,226	12,878,882
Total Liabilities and Net Position	\$ 1,504,393	\$ 37,584,669	\$ 39,089,062	\$ 39,721,333

**BRainerd PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - ELECTRIC DEPARTMENT**  
**FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2025, 2024, AND 2023**

	July 31, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current Month	Year to Date			July 31,	
					2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 613,094	\$ 3,848,832	\$ 4,060,000	\$ (211,168)	\$ 3,651,625	\$ 4,055,702
Commercial	1,009,822	5,923,510	6,195,000	(271,490)	5,750,819	6,115,526
Medium/Large Commercial	207,959	1,118,637	1,603,000	(484,363)	1,321,671	1,532,075
Industrial	802,745	4,766,779	5,250,000	(483,221)	4,526,088	1,072,964
City of Brainerd	31,506	207,499	211,400	(3,901)	204,756	212,300
BPU	53,975	448,326	455,000	(6,674)	449,508	490,285
Total Utility Revenue	2,719,101	16,313,584	17,774,400	(1,460,816)	15,904,467	13,478,852
<u>Other Operating Revenue</u>						
Penalties	12,028	92,624	59,500	33,124	82,073	77,568
Other	5,196	115,494	133,233	(17,739)	221,988	180,689
Total Other Operating Revenue	17,224	208,118	192,733	15,385	304,061	258,257
Total Operating Revenue	2,736,325	16,521,702	17,967,133	(1,445,431)	16,208,528	13,737,109
<b>OPERATING EXPENSES</b>						
<u>Purchased Power</u>						
All Other Customers	1,231,024	6,754,850	7,140,000	385,150	6,393,149	6,106,058
Solar Generation - Airport	84,065	433,022	420,000	(13,022)	453,311	505,206
Crypto Mining Customers	523,918	3,966,091	4,083,333	117,242	4,178,701	971,702
Total Purchased Power Expense	1,839,007	11,153,963	11,643,333	489,370	11,025,161	7,582,966
<u>Generation</u>						
Salaries and Wages	19,330	179,689	137,958	(41,731)	168,511	318,452
Operations and Maintenance	2,476	18,075	23,975	5,900	13,338	32,938
Employee Benefits	7,509	54,450	30,100	(24,350)	56,564	90,384
Other Charges	-	300	3,500	3,200	1,779	220
Depreciation	27,300	191,100	190,400	(700)	191,800	190,400
Total Generation Expenses	56,615	443,614	385,933	(57,681)	431,992	632,394
<u>Distribution</u>						
Salaries and Wages	100,032	1,132,027	1,179,675	47,648	872,870	832,616
Operations and Maintenance	44,827	250,174	360,267	110,093	248,549	190,194
Employee Benefits	16,910	235,291	282,800	47,509	263,080	225,997
Other Charges	4,303	37,490	40,017	2,527	61,380	49,189
Depreciation and Amortization	154,600	1,082,200	1,000,650	(81,550)	1,032,500	997,500
Total Distribution Expenses	320,672	2,737,182	2,863,408	126,226	2,478,379	2,295,496
<u>General and Administrative</u>						
Salaries and Wages	69,774	467,598	658,933	191,335	463,533	485,421
Operations and Maintenance	72,580	388,499	404,647	16,148	334,037	337,659
Insurance and Bonds	15,785	156,184	156,217	33	145,645	122,009
Employee Benefits	33,296	277,829	303,450	25,621	209,509	316,503
Other Charges	56,713	401,693	313,250	(88,443)	290,615	242,016
Depreciation and Amortization	17,414	121,898	101,558	(20,340)	106,498	99,205
Total Gen. and Admin. Expenses	265,562	1,813,701	1,938,055	124,354	1,549,837	1,602,813
Total Operating Expenses	2,481,856	16,148,460	16,830,730	682,270	15,485,369	12,113,669
<b>NET OPERATING INCOME</b>	254,469	373,242	1,136,403	(763,161)	723,159	1,623,440
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	4,922	12,933	5,600	7,333	78,618	(9,834)
Interest Expense - Bonds	(10,689)	(73,781)	(91,467)	17,686	(97,117)	(111,474)
Sale of Renewable Energy Credits	-	-	-	-	-	-
Bond Premium	873	6,111	7,700	(1,589)	7,056	8,423
Gain on Disposal of Capital Assets	3,542	3,542	700	2,842	-	-
Total Nonoperating Revenue	(1,352)	(51,195)	(77,467)	26,272	(11,443)	(112,885)
<b>INCOME BEFORE TRANSFERS TO THE CITY</b>	253,117	322,047	1,058,937	(736,889)	711,716	1,510,555
<b>TRANSFERS TO THE CITY</b>	(70,967)	(446,442)	(476,000)	29,558	(435,470)	(437,473)
<b>CHANGE IN NET POSITION</b>	\$ 182,150	\$ (124,395)	\$ 582,937	\$ (707,331)	\$ 276,246	\$ 1,073,082

**BRainerd PUBLIC UTILITIES  
OPERATING STATISTICS - ELECTRIC DEPARTMENT  
FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2025, 2024, AND 2023**

	KWH SOLD		REVENUE		AVERAGE REVENUE PER KWH		
	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2023
Residential	\$ 32,289,626	\$ 29,947,696	\$ 3,848,832	\$ 3,651,625	\$ 0.1192	\$ 0.1219	\$ 0.1253
Commercial	23,026,466	22,205,156	5,923,510	5,750,819	0.2572	0.2590	0.2635
Medium/Large Commercial	38,036,412	38,793,280	1,118,637	1,321,671	0.0294	0.0341	0.0382
Industrial	96,134,592	93,968,462	4,766,779	4,526,088	0.0496	-	-
City of Brainerd	1,214,790	1,180,760	207,499	204,756	0.1708	0.1734	0.1863
BPU	4,241,085	4,188,717	448,326	449,508	0.1057	0.1073	0.1124
Total	194,942,971	190,284,071	16,313,583	15,904,467	\$ 0.0837	\$ 0.0836	\$ 0.1159
% Change From Previous Year	2.45%	63.60%	2.57%	18.00%	0.12%	-27.87%	NA

	% TO TOTAL - KWH		% TO TOTAL - REVENUE		TOTAL METERS IN SERVICE		
	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2023
Residential	16.56%	15.74%	23.59%	22.96%	6,955	6,944	6,922
Commercial	11.81%	11.67%	36.31%	36.16%	1,237	1,228	1,229
Medium/Large Commercial	19.51%	20.39%	6.86%	8.31%	64	67	69
Industrial	49%	49%	29%	28%	1	1	1
City of Brainerd	0.62%	0.62%	1.27%	1.29%	49	48	50
BPU	2.18%	2.20%	2.75%	2.83%	38	37	36
Total	100.00%	100.00%	100.00%	100.00%	8,344	8,325	8,307
% Change From Previous Year					0.23%	0.22%	NA

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WATER DEPARTMENT**  
**FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2025, 2024, AND 2023**

	July 31, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current	Year to			July 31,	
	Month	Date			2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 172,507	\$ 1,132,856	\$ 1,065,458	\$ 67,398	\$ 916,554	\$ 950,932
Commercial	181,586	1,017,764	1,125,600	(107,836)	879,090	787,862
City of Brainerd	18,063	84,127	87,092	(2,965)	71,627	80,637
BPU	23,955	77,702	65,158	12,544	55,162	57,445
Total Utility Revenue	396,111	2,312,449	2,343,308	(30,859)	1,922,433	1,876,876
<u>Other Operating Revenue</u>						
Penalties	3,258	19,750	11,900	7,850	15,725	14,028
Other	934	19,504	38,033	(18,529)	142,932	13,352
Total Other Operating Revenue	4,192	39,254	49,933	(10,679)	158,657	27,380
Total Operating Revenue	400,303	2,351,703	2,393,242	(41,539)	2,081,090	1,904,256
<b>OPERATING EXPENSES</b>						
<u>Production</u>						
Salaries and Wages	32,379	245,682	301,933	56,251	263,075	264,809
Operations and Maintenance	22,027	174,341	162,983	(11,358)	187,353	139,869
Employee Benefits	10,770	72,008	102,900	30,892	87,098	96,340
Other Charges	345	1,400	420	(980)	470	568
Depreciation	17,400	121,800	156,100	34,300	106,400	155,400
Total Production Expenses	82,921	615,231	724,337	109,106	644,396	656,986
<u>Distribution</u>						
Salaries and Wages	48,391	423,612	345,158	(78,454)	344,135	341,426
Operations and Maintenance	12,619	102,468	162,750	60,282	123,519	205,622
Employee Benefits	12,206	95,847	116,200	20,353	86,973	94,724
Other Charges	16	19,285	14,933	(4,352)	23,338	18,084
Depreciation	88,700	620,900	602,525	(18,375)	597,800	475,300
Total Distribution Expenses	161,932	1,262,112	1,241,567	(20,545)	1,175,765	1,135,156
<u>General and Administrative</u>						
Salaries and Wages	20,612	160,217	249,894	89,677	161,955	171,909
Operations and Maintenance	22,207	126,796	132,300	5,504	99,730	110,944
Insurance and Bonds	1,704	39,112	39,900	788	41,783	40,320
Employee Benefits	8,657	66,495	97,300	30,805	73,919	111,861
Other Charges	14,067	110,301	97,300	(13,001)	79,508	55,773
Depreciation	5,070	35,490	32,433	(3,057)	31,987	27,790
Total Gen. and Admin. Expenses	72,317	538,411	649,128	110,717	488,882	518,597
Total Operating Expenses	317,170	2,415,754	2,615,031	199,277	2,309,043	2,310,739
<b>NET OPERATING INCOME (LOSS)</b>	83,133	(64,051)	(221,789)	157,738	(227,953)	(406,483)
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	1,398	5,877	5,600	277	16,832	14,248
Local Option Sales Tax - Baxter	-	-	203,700	(203,700)	-	192,768
Bond Premium	10,189	71,455	86,100	(14,645)	73,432	86,153
Bond Issuance Costs	-	-	-	-	-	-
Interest Expense - Bonds	(27,715)	(190,300)	(176,400)	(13,900)	(163,241)	(186,536)
Gain on Disposal of Capital Assets	-	-	-	-	832	-
Total Nonoperating Revenue	(16,128)	(112,968)	119,000	(231,968)	(72,145)	106,633
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	67,005	(177,019)	(102,789)	(74,230)	(300,098)	(299,850)
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	\$ 67,005	\$ (177,019)	\$ (102,789)	\$ (74,230)	\$ (300,098)	\$ (299,850)

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WATER DEPARTMENT  
FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2025, 2024, AND 2023**

	GALLONS SOLD		REVENUE		AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2023
Residential	94,786,025	87,851,952	\$ 1,132,856	\$ 916,554	\$ 11.95	\$ 10.43	\$ 9.28
Commercial	135,368,811	125,849,216	1,169,473	813,075	8.64	6.46	6.94
City of Baxter	898,000	14,954,000	10,120	66,015	11.27	4.41	1.96
Total	<u>231,052,836</u>	<u>228,655,168</u>	<u>\$ 2,312,449</u>	<u>\$ 1,795,644</u>	<u>\$ 10.01</u>	<u>\$ 7.85</u>	<u>\$ 7.93</u>
% Change From Previous Year	1.05%	-3.22%	28.78%	-4.10%	27.44%	-0.91%	NA

	% TO TOTAL - GALLONS		% TO TOTAL - REVENUE		TOTAL METERS IN SERVICE		
	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2025	PERIOD ENDED JULY 31, 2024	PERIOD ENDED JULY 31, 2023
Residential	41.02%	38.42%	48.99%	51.04%	4,093	4,081	4,057
Commercial	58.59%	55.04%	50.57%	45.28%	994	988	981
City of Baxter	0.39%	6.54%	0.44%	3.68%	1	1	1
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>5,088</u>	<u>5,070</u>	<u>5,039</u>
% Change From Previous Year					0.36%	0.62%	#DIV/0!

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WASTEWATER TREATMENT DEPARTMENT**  
**FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2025, 2024, AND 2023**

	July 31, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current Month	Year to Date			July 31,	
					2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 137,646	\$ 935,377	\$ 913,500	\$ 21,877	\$ 890,006	\$ 831,050
Commercial	80,416	454,204	663,017	(208,812)	622,745	459,244
Total Utility Revenue	218,062	1,389,581	1,576,517	(186,935)	1,512,751	1,290,294
<u>Other Operating Revenue</u>						
Penalties	3,235	23,986	16,100	7,886	21,611	17,940
Reimbursement of Expenses - Baxter	97,558	546,691	466,667	80,024	470,211	450,992
Other	661	7,992	29,750	(21,758)	50,364	1,266
Total Other Operating Revenue	101,454	578,669	512,517	66,152	542,186	470,198
Total Operating Revenue	319,516	1,968,250	2,089,033	(120,783)	2,054,937	1,760,492
<b>OPERATING EXPENSES</b>						
<u>Treatment</u>						
Salaries and Wages	42,671	368,640	266,467	(102,173)	263,608	259,332
Operations and Maintenance	91,996	581,732	614,542	32,810	521,849	600,696
Employee Benefits	12,031	94,958	91,233	(3,725)	82,910	71,517
Other Charges	908	9,290	23,450	14,160	14,303	14,897
Depreciation	119,200	834,400	826,000	(8,400)	834,400	819,000
Total Treatment Expenses	266,806	1,889,020	1,821,692	(67,328)	1,717,070	1,765,442
<u>Lift Stations</u>						
Salaries and Wages	11,092	93,756	97,592	3,836	59,306	49,583
Operations and Maintenance	10,169	84,004	111,883	27,879	91,383	119,553
Employee Benefits	4,406	28,412	30,800	2,388	21,695	17,682
Other Charges	-	176	1,400	1,224	2,036	2,170
Depreciation	18,000	126,000	156,800	30,800	161,000	155,400
Total Collection Expenses	43,667	332,348	398,475	66,127	335,420	344,388
<u>General and Administrative</u>						
Salaries and Wages	20,224	154,594	222,128	67,534	151,023	164,485
Operations and Maintenance	13,305	84,054	102,363	18,309	100,464	89,957
Insurance and Bonds	913	55,663	49,992	(5,671)	62,510	45,012
Employee Benefits	8,083	61,820	90,300	28,480	66,761	106,434
Other Charges	15,410	116,524	102,404	(14,120)	89,280	64,795
Depreciation and Amortization	3,970	27,790	20,358	(7,432)	25,690	20,088
Total Gen. and Admin. Expenses	61,905	500,445	587,545	87,100	495,728	490,771
Total Operating Expenses	372,378	2,721,813	2,807,712	85,899	2,548,218	2,600,601
<b>NET OPERATING LOSS</b>	(52,862)	(753,563)	(718,678)	(34,884)	(493,281)	(840,109)
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	19,004	234,564	58,333	176,231	226,248	81,083
Interest Revenue - Notes Receivable	6,558	45,906	-	45,906	48,758	62,935
Interest Expense - Bonds	(27,450)	(184,902)	(212,100)	27,198	(170,570)	(202,145)
Bond Premium	1,232	8,155	4,900	3,255	4,984	5,208
Local Option Sales Tax - Brainerd	122,142	1,124,241	858,900	265,341	852,822	738,120
Local Option Sales Tax - Baxter	-	-	42,700	(42,700)	-	92,528
Federal Grant Revenue - Build America Bond	5,100	66,209	36,400	29,809	19,914	42,034
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenue	126,586	1,294,173	789,133	505,040	982,156	819,763
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	73,724	540,610	70,455	470,155	488,875	(20,346)
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	\$ 73,724	\$ 540,610	\$ 70,455	\$ 470,155	\$ 488,875	\$ (20,346)

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WASTEWATER TREATMENT DEPARTMENT<sup>1</sup>  
FOR THE SEVEN MONTH PERIOD ENDED JULY 31, 2025, 2024, AND 2023**

	GALLONS PROCESSED		REVENUE		AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED JULY 31, 2025	2024	2025	2024	2025	2024	2023
Residential	94,142,647	87,296,654	\$ 935,377	\$ 890,006	\$ 9.94	\$ 10.20	\$ 8.17
Commercial	92,310,362	96,116,369	454,204	622,745	4.92	6.48	4.96
City of Baxter	141,368,000	136,662,000	546,691	470,211	3.87	3.44	3.24
Total	<u>327,821,009</u>	<u>320,075,023</u>	<u>\$ 1,936,272</u>	<u>\$ 1,982,962</u>	<u>\$ 5.91</u>	<u>\$ 6.20</u>	<u>\$ 5.22</u>
% Change From Previous Year	2.42%	-4.02%	-2.35%	13.88%	-4.66%	18.65%	NA
	% TO TOTAL - GALLONS		% TO TOTAL - REVENUE		TOTAL METERS IN SERVICE		
	PERIOD ENDED JULY 31, 2025	2024	2025	2024	2025	2024	2023
Residential	28.72%	27.27%	48.31%	44.88%	4,067	4,062	4,042
Commercial	28.16%	30.03%	23.46%	31.40%	843	848	844
City of Baxter	43.12%	42.70%	28.23%	23.71%	1	1	1
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>4,911</u>	<u>4,911</u>	<u>4,887</u>
% Change From Previous Year					0.00%	0.49%	NA



**Monthly Financial  
Report  
August 2025**

**BRAINERD PUBLIC UTILITIES  
COMPARISON OF OPERATING RESULTS  
FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2025 AND 2024**

	2025		2024	
	Amount	Percent of Sales	Amount	Percent of Sales
<b>OPERATING REVENUE</b>				
Department				
Electric	\$19,247,356	79.3%	\$18,657,048	79.5%
Water	2,751,597	11.3%	2,482,635	10.6%
Wastewater	2,276,060	9.4%	2,341,806	10.0%
Total Operating Revenue	<u>24,275,013</u>	<u>100.0%</u>	<u>23,481,489</u>	<u>100.0%</u>
<b>OPERATING EXPENSES</b>				
Salaries and Wages	3,584,789	14.8%	3,141,327	13.4%
Purchased Power	12,956,494	53.4%	12,831,576	54.6%
Operations and Maintenance	2,089,850	8.6%	1,955,793	8.3%
Other Charges	772,451	3.2%	669,069	2.8%
Employee Benefits	1,134,559	4.7%	1,107,774	4.7%
Insurance and Bonds	311,773	1.3%	252,695	1.1%
Depreciation and Amortization	3,613,232	14.9%	3,529,224	15.0%
Total Operating Expenses	<u>24,463,148</u>	<u>100.8%</u>	<u>23,487,458</u>	<u>100.0%</u>
<b>NET OPERATING REVENUE</b>	<u>(188,135)</u>	<u>-0.8%</u>	<u>(5,969)</u>	<u>0.0%</u>
<b>NONOPERATING REVENUE</b>				
Interest Revenue - Investments	322,633	1.3%	443,678	1.9%
Bond Premium	98,014	0.4%	97,682	0.4%
Interest Revenue - Notes Receivable	52,464	0.2%	74,259	0.3%
Interest Expense - Bonds	(515,882)	-2.1%	(558,293)	-2.4%
Local Option Sales Tax	1,265,559	5.2%	1,185,534	5.0%
Other	74,851	0.3%	25,846	0.1%
Total Nonoperating Revenue	<u>1,297,639</u>	<u>5.3%</u>	<u>1,268,706</u>	<u>5.4%</u>
<b>INCOME BEFORE OPERATING TRANSFERS TO THE CITY</b>	1,109,504	4.6%	1,262,737	5.4%
<b>CAPITAL CONTRIBUTIONS</b>	-	0.0%	-	0.0%
<b>TRANSFERS TO THE CITY</b>	<u>(522,183)</u>	<u>-2.2%</u>	<u>(511,932)</u>	<u>-2.2%</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ 587,321</u>	<u>2.4%</u>	<u>\$ 750,805</u>	<u>3.2%</u>

**BRainerd PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION BY DEPARTMENT**  
**AUGUST 31, 2025 AND 2024**

	Electric	Water	Wastewater Treatment	Totals	
				2025	2024
<b>ASSETS</b>					
<b>UTILITY PLANT</b>					
Construction in Progress	\$ 1,828,319	\$ 646,901	\$ 1,512,405	\$ 3,987,625	\$ 7,648,911
Right-to-Use	430,612	18,402	18,402	467,416	461,978
In Service	51,852,680	40,061,750	42,850,941	134,765,371	125,912,473
Total Investment in Utility Plant	54,111,611	40,727,053	44,381,748	139,220,412	134,023,362
Less: Accumulated Depreciation	(29,378,729)	(17,774,163)	(23,926,039)	(71,078,931)	(65,779,246)
Net Utility Plant	24,732,882	22,952,890	20,455,709	68,141,481	68,244,116
<b>CASH AND INVESTMENTS</b>					
<u>Nonrestricted</u>	4,462,089	(3,075,126)	5,034,324	6,421,287	6,431,241
<u>Restricted</u>					
Customer Deposits	640,039	-	-	640,039	505,923
City of Brainerd Contribution	97,376	-	-	97,376	146,107
Conservation Incentive Program	556,511	-	-	556,511	507,774
Water and Sewer Accessibility Charges	-	621,024	7,138	628,162	559,102
Construction Bond Proceeds	-	-	-	-	-
Debt Service Reserve	1,117,250	1,449,702	2,139,099	4,706,051	4,799,827
Total Restricted Cash and Investments	2,411,176	2,070,726	2,146,237	6,628,139	6,518,733
Total Cash and Investments	6,873,265	(1,004,400)	7,180,561	13,049,426	12,949,974
<b>CURRENT ASSETS</b>					
Accounts Receivable	4,366,425	670,549	2,847,776	7,884,750	8,092,338
Interest Receivable	12,133	1,787	32,233	46,153	37,455
Inventory	2,120,845	137,196	-	2,258,041	2,633,830
Prepaid Expenses	86,967	24,064	34,058	145,089	197,823
Total Current Assets	6,586,370	833,596	2,914,067	10,334,033	10,961,446
<b>OTHER ASSETS</b>					
Bonds and Notes Receivable	-	-	-	-	-
Interest Receivable - Notes Receivable	-	-	8,873	8,873	45,600
Service Territory Acquisitions, Net of Accumulated Amortization	144,083	(97,253)	(18,290)	(133,833)	188,483
Deferred Outflows of Resources	287,943	95,980	95,980	479,903	1,050,947
Investment in Solar Generation Facility	617,954	-	-	617,954	662,073
Total Other Assets	952,727	77,690	86,563	972,897	1,947,103
Total Assets	39,145,244	22,859,776	30,636,900	92,497,837	94,102,639
<b>LIABILITIES AND NET ASSETS</b>					
<b>NET POSITION</b>					
Net Investment in Capital Assets	20,348,920	12,043,404	12,507,366	44,899,690	42,267,790
Restricted	-	1,483,723	2,134,144	3,617,867	3,756,504
Unrestricted	7,387,104	(2,836,060)	6,836,893	11,387,938	11,919,831
Total Net Position	27,736,024	10,691,067	21,478,403	59,905,494	57,944,125
<b>LONG-TERM LIABILITIES</b>					
Revenue Bonds Payable	3,310,000	10,245,000	2,338,200	15,893,200	17,127,400
PFA Construction Loan Payable	-	-	3,648,000	3,648,000	5,285,000
Compensated Absences	638,199	243,708	206,317	1,088,224	1,050,834
Other Postemployment Benefit Obligation	199,331	66,443	66,443	332,217	366,208
Net Pension Liability	1,241,138	413,713	413,713	2,068,564	3,405,460
Deferred Inflows of Resources	1,104,250	368,082	368,082	1,840,414	1,303,305
Capital Lease Payable	358,584	481	481	359,546	369,845
Revenue Bond Premium	26,908	585,937	88,077	700,922	755,192
Total Long-Term Liabilities	6,878,410	11,923,364	7,129,313	25,931,087	29,663,244
<b>CURRENT LIABILITIES</b>					
Accounts Payable	1,785,385	851	20	1,786,256	1,754,543
Revenue Bonds Payable	1,120,000	75,000	79,200	1,274,200	1,194,200
PFA Construction Loan Payable	-	-	1,585,000	1,585,000	1,585,000
Capital Lease Payable	11,470	3,068	3,068	17,606	28,497
Payable to City of Brainerd	97,376	-	258,603	355,979	403,137
Conservation Incentive Program Payable	556,511	-	-	556,511	507,774
Accrued Expenses					
Salaries and Withholding Taxes	89,002	127,034	89,465	305,501	219,810
Sales Taxes	198,624	5,371	-	203,995	196,657
Bond Interest	32,403	34,021	13,828	80,252	99,729
Customer Deposits	640,039	-	-	640,039	505,923
Total Current Liabilities	4,530,810	245,345	2,029,184	6,805,339	6,495,270
Total Liabilities	11,409,220	12,168,709	9,158,497	32,736,426	36,158,514
Total Liabilities and Net Position	\$ 39,145,244	\$ 22,859,776	\$ 30,636,900	\$ 92,641,920	\$ 94,102,639

**BRAINERD PUBLIC UTILITIES**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY DEPARTMENT**  
**FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2025, 2024, AND 2023**

	08/31/2025				Totals	
	Electric	Water	Wastewater Treatment	Total	August 31,	
					2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>	\$ 18,995,512	\$ 2,697,856	\$ 1,613,048	\$ 23,306,416	\$ 22,374,842	\$ 19,628,985
<u>Other Operating Revenue</u>	251,844	53,741	663,012	968,597	1,106,647	875,374
Total Operating Revenue	19,247,356	2,751,597	2,276,060	24,275,013	23,481,489	20,504,359
<b>OPERATING EXPENSES</b>						
<u>Purchased Power</u>	12,956,494	-	-	12,956,494	12,831,576	8,977,036
<u>Production/Generation</u>						
Salaries and Wages	211,068	275,692	407,058	893,818	792,755	943,908
Operations and Maintenance	19,746	196,923	679,957	896,626	818,137	912,388
Employee Benefits	64,457	85,498	110,444	260,399	261,493	290,176
Other Charges	300	1,400	11,117	12,817	17,498	18,416
Total Generation/Production Expenses	295,571	559,513	1,208,576	2,063,660	1,889,883	2,164,888
<u>Distribution</u>						
Salaries and Wages	1,254,517	462,030	100,819	1,817,366	1,461,743	1,395,358
Operations and Maintenance	287,322	123,299	94,476	505,097	534,107	640,527
Employee Benefits	276,156	110,864	32,846	419,866	439,817	384,912
Other Charges	39,978	19,710	176	59,864	92,679	71,342
Total Distribution Expenses	1,857,973	715,903	228,317	2,802,193	2,528,346	2,492,139
<u>General and Administrative</u>						
Salaries and Wages	522,723	178,049	172,833	873,605	886,829	919,754
Operations and Maintenance	446,066	144,991	97,070	688,127	603,549	593,194
Insurance and Bonds	195,296	47,602	68,875	311,773	252,695	254,743
Employee Benefits	304,883	77,399	72,012	454,294	406,464	570,357
Other Charges	445,447	123,182	131,141	699,770	558,892	413,800
Total Gen. and Admin. Expenses	1,914,415	571,223	541,931	3,027,569	2,708,429	2,751,848
<u>Depreciation and Amortization</u>	1,594,512	889,360	1,129,360	3,613,232	3,529,224	3,359,235
Total Operating Expenses	18,618,965	2,735,999	3,108,184	24,463,148	23,487,458	19,745,146
<b>NET OPERATING INCOME (LOSS)</b>	628,391	15,598	(832,124)	(188,135)	(5,969)	759,213
<b>NONOPERATING REVENUE (EXPENSE)</b>						
Interest Revenue - Investments	17,530	7,140	297,963	322,633	443,678	112,967
Bond Premium	6,984	81,643	9,387	98,014	97,682	113,993
Interest Revenue - Notes Receivable	-	-	52,464	52,464	74,259	71,470
Local Option Sales Tax	-	-	1,265,559	1,265,559	1,185,534	1,367,310
Interest Expense - Bonds	(84,470)	(220,793)	(210,619)	(515,882)	(558,293)	(562,070)
Other	3,542	-	71,309	74,851	25,846	47,568
Total Nonoperating Revenue (Expense)	(56,414)	(132,010)	1,486,063	1,297,639	1,268,706	1,151,238
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	571,977	(116,412)	653,939	1,109,504	1,262,737	1,910,451
<b>TRANSFERS TO THE CITY</b>	(522,183)	-	-	(522,183)	(511,932)	(526,215)
<b>CHANGE IN NET POSITION</b>	\$ 49,794	\$ (116,412)	\$ 653,939	\$ 587,321	\$ 750,805	\$ 1,384,236

**BRAINERD PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION FOR ELECTRIC DEPARTMENT**  
**AUGUST 31, 2025 AND 2024**

	August 31, 2025			2024
	Generation	Distribution	Total	
<b>ASSETS</b>				
<b>UTILITY PLANT</b>				
Construction in Progress	\$ 926,639	\$ 901,680	\$ 1,828,319	\$ 3,452,616
Right-to-Use	-	430,612	430,612	421,686
In Service	8,082,167	43,770,513	51,852,680	48,214,083
Total Investment in Utility Plant	9,008,806	45,102,805	54,111,611	52,088,385
Less: Accumulated Depreciation	(3,107,479)	(26,271,250)	(29,378,729)	(27,074,466)
Net Utility Plant	5,901,327	18,831,555	24,732,882	25,013,919
<b>CASH AND INVESTMENTS</b>				
<u>Nonrestricted</u>	(5,160,206)	9,622,295	4,462,089	4,442,784
<u>Restricted</u>				
Customer Deposits	-	640,039	640,039	505,923
City of Brainerd Contribution	-	97,376	97,376	146,107
Conservation Incentive Program	-	556,511	556,511	507,774
Debt Service Reserve	686,750	430,500	1,117,250	1,117,250
Total Restricted Cash and Investments	686,750	1,724,426	2,411,176	2,277,054
Total Cash and Investments	(4,473,456)	11,346,721	6,873,265	6,719,838
<b>CURRENT ASSETS</b>				
Accounts Receivable	-	4,366,425	4,366,425	3,781,056
Interest Receivable	-	12,133	12,133	13,255
Inventory	-	2,120,845	2,120,845	2,493,094
Prepaid Expenses	15,791	71,176	86,967	138,798
Total Current Assets	15,791	6,570,579	6,586,370	6,426,203
<b>OTHER ASSETS</b>				
Service Territory Acquisitions, Net of Accumulated Amortization	-	144,083	144,083	
Deferred Outflows of Resources	47,991	239,952	287,943	630,567
Investment in Solar Generation Facility	-	617,954	617,954	662,073
Total Other Assets	47,991	904,736	952,727	1,481,123
Total Assets	1,491,653	37,653,591	39,145,244	39,641,083
<b>LIABILITIES AND NET ASSETS</b>				
Net Investment in Capital Assets	3,142,919	17,206,001	20,348,920	19,605,801
Unrestricted	(5,255,211)	12,642,315	7,387,104	7,174,375
Total Net Position	(2,112,292)	29,848,316	27,736,024	26,780,176
<b>LONG-TERM LIABILITIES</b>				
Revenue Bonds Payable	2,370,000	940,000	3,310,000	4,500,000
Compensated Absences	70,726	567,473	638,199	600,064
Other Postemployment Benefit Obligation	33,222	166,109	199,331	219,726
Net Pension Liability	206,856	1,034,282	1,241,138	2,043,276
Deferred Inflows of Resources	184,042	920,208	1,104,250	781,983
Capital Lease Payable	-	358,584	358,584	366,261
Revenue Bond Premium	26,908	-	26,908	37,920
Total Long-Term Liabilities	2,891,754	3,986,656	6,878,410	8,549,230
<b>CURRENT LIABILITIES</b>				
Accounts Payable	-	1,785,385	1,785,385	1,741,199
Revenue Bonds Payable	665,000	455,000	1,120,000	1,040,000
Capital Lease Payable	-	11,470	11,470	17,937
Payable to City of Brainerd	-	97,376	97,376	146,107
Conservation Incentive Program Payable	-	556,511	556,511	507,774
Accrued Expenses				
Salaries and Withholding Taxes	22,628	66,374	89,002	122,709
Sales Taxes	88	198,536	198,624	191,200
Bond Interest	24,475	7,928	32,403	38,828
Customer Deposits	-	640,039	640,039	505,923
Total Current Liabilities	712,191	3,818,619	4,530,810	4,311,677
Total Liabilities	3,603,945	7,805,275	11,409,220	12,860,907
Total Liabilities and Net Position	\$ 1,491,653	\$ 37,653,591	\$ 39,145,244	\$ 39,641,083

**BRainerd PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - ELECTRIC DEPARTMENT**  
**FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2025, 2024, AND 2023**

	August 31, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current Month	Year to Date			2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 659,171	\$ 4,508,003	\$ 4,640,000	\$ (131,997)	\$ 4,260,744	\$ 4,805,590
Commercial	1,056,896	6,980,406	7,080,000	(99,594)	6,714,953	7,142,972
Medium/Large Commercial	217,889	1,336,526	1,832,000	(495,474)	1,557,957	1,798,089
Industrial	659,762	5,426,541	6,000,000	(573,459)	5,060,078	1,327,640
City of Brainerd	31,466	238,965	241,600	(2,635)	233,631	243,459
BPU	56,744	505,070	520,000	(14,930)	506,231	554,295
Total Utility Revenue	2,681,928	18,995,512	20,313,600	(1,318,088)	18,333,593	15,872,045
<u>Other Operating Revenue</u>						
Penalties	13,066	105,690	68,000	37,690	93,670	89,437
Other	30,660	146,154	152,267	(6,113)	229,785	207,486
Total Other Operating Revenue	43,726	251,844	220,267	31,577	323,455	296,923
Total Operating Revenue	2,725,654	19,247,356	20,533,867	(1,286,510)	18,657,048	16,168,968
<b>OPERATING EXPENSES</b>						
<u>Purchased Power</u>						
All Other Customers	1,149,830	7,904,680	8,160,000	255,320	7,693,989	7,187,683
Solar Generation - Airport	74,849	507,871	480,000	(27,871)	526,616	583,963
Crypto Mining Customers	577,852	4,543,943	4,666,667	122,724	4,610,971	1,205,390
Total Purchased Power Expense	1,802,531	12,956,494	13,306,667	350,173	12,831,576	8,977,036
<u>Generation</u>						
Salaries and Wages	31,379	211,068	157,667	(53,401)	191,592	349,440
Operations and Maintenance	1,671	19,746	27,400	7,654	18,649	34,237
Employee Benefits	10,007	64,457	34,400	(30,057)	65,205	98,383
Other Charges	-	300	4,000	3,700	2,210	220
Depreciation	27,300	218,400	217,600	(800)	219,200	217,600
Total Generation Expenses	70,357	513,971	441,067	(72,904)	496,856	699,880
<u>Distribution</u>						
Salaries and Wages	122,490	1,254,517	1,348,200	93,683	1,000,136	940,091
Operations and Maintenance	37,148	287,322	411,733	124,411	269,890	238,374
Employee Benefits	40,865	276,156	323,200	47,044	312,901	256,190
Other Charges	2,488	39,978	45,733	5,755	66,553	50,126
Depreciation and Amortization	154,600	1,236,800	1,143,600	(93,200)	1,180,000	1,140,000
Total Distribution Expenses	357,591	3,094,773	3,272,467	177,694	2,829,480	2,624,781
<u>General and Administrative</u>						
Salaries and Wages	55,125	522,723	753,067	230,344	527,058	545,994
Operations and Maintenance	57,567	446,066	462,453	16,387	381,269	372,449
Insurance and Bonds	39,112	195,296	178,533	(16,763)	148,402	157,819
Employee Benefits	27,054	304,883	346,800	41,917	245,854	345,313
Other Charges	43,754	445,447	358,000	(87,447)	361,090	276,077
Depreciation and Amortization	17,414	139,312	116,067	(23,245)	121,712	112,517
Total Gen. and Admin. Expenses	240,026	2,053,727	2,214,920	161,193	1,785,385	1,810,169
Total Operating Expenses	2,470,505	18,618,965	19,235,120	616,155	17,943,297	14,111,866
<b>NET OPERATING INCOME</b>	255,149	628,391	1,298,747	(670,355)	713,751	2,057,102
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	4,597	17,530	6,400	11,130	105,939	(2,496)
Interest Expense - Bonds	(10,689)	(84,470)	(104,533)	20,063	(101,852)	(127,074)
Sale of Renewable Energy Credits	-	-	-	-	-	-
Bond Premium	873	6,984	8,800	(1,816)	8,064	9,584
Gain on Disposal of Capital Assets	-	3,542	800	2,742	-	-
Total Nonoperating Revenue	(5,219)	(56,414)	(88,533)	32,119	12,151	(119,986)
<b>INCOME BEFORE TRANSFERS TO THE CITY</b>	249,929	571,977	1,210,213	(638,236)	725,902	1,937,116
<b>TRANSFERS TO THE CITY</b>	(75,741)	(522,183)	(544,000)	21,817	(511,932)	(526,215)
<b>CHANGE IN NET POSITION</b>	\$ 174,188	\$ 49,794	\$ 666,213	\$ (616,419)	\$ 213,970	\$ 1,410,901

**BRAINERD PUBLIC UTILITIES**  
**OPERATING STATISTICS - ELECTRIC DEPARTMENT**  
**FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2025, 2024, AND 2023**

	KWH SOLD		REVENUE		AVERAGE REVENUE PER KWH	
	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024
Residential	37,654,368	35,261,735	\$ 4,508,003	\$ 4,260,744	\$ 0.1197	\$ 0.1208
Commercial	32,982,606	32,036,579	7,724,441	7,454,815	0.2342	0.2327
Medium/Large Commercial	44,966,287	45,964,786	1,336,526	1,557,957	0.0297	0.0339
Industrial	107,618,016	106,425,181	5,426,541	5,060,078	0.0504	-
Total	223,221,277	219,688,281	18,995,511	18,333,594	\$ 0.0851	\$ 0.0835
% Change From Previous Year	1.61%	51.49%	3.61%	15.51%	1.97%	-23.75%

	% TO TOTAL - KWH		% TO TOTAL - REVENUE		TOTAL METERS IN SERVICE	
	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024
Residential	16.87%	16.05%	23.73%	23.24%	6,959	6,927
Commercial	14.78%	14.58%	40.66%	40.66%	1,328	1,312
Medium/Large Commercial	20.14%	20.92%	7.04%	8.50%	64	67
Industrial	48.21%	48.44%	28.57%	27.60%	1	1
Total	100.00%	100.00%	100.00%	100.00%	8,352	8,328
% Change From Previous Year					0.29%	0.14%

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WATER DEPARTMENT**  
**FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2025, 2024, AND 2023**

	August 31, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current	Year to			August 31,	
	Month	Date			2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 175,326	\$ 1,308,182	\$ 1,217,667	\$ 90,515	\$ 1,066,263	\$ 1,156,830
Commercial	175,391	1,193,155	1,286,400	(93,245)	1,100,370	940,998
City of Brainerd	18,230	102,357	99,533	2,824	87,966	100,076
BPU	16,460	94,162	74,467	19,695	65,651	74,075
Total Utility Revenue	385,407	2,697,856	2,678,067	19,789	2,320,250	2,271,979
<u>Other Operating Revenue</u>						
Penalties	3,516	23,266	13,600	9,666	18,395	16,453
Other	10,971	30,475	43,467	(12,992)	143,990	17,997
Total Other Operating Revenue	14,487	53,741	57,067	(3,326)	162,385	34,450
Total Operating Revenue	399,894	2,751,597	2,735,133	16,464	2,482,635	2,306,429
<b>OPERATING EXPENSES</b>						
<u>Production</u>						
Salaries and Wages	30,010	275,692	345,067	69,375	302,915	309,769
Operations and Maintenance	22,582	196,923	186,267	(10,656)	222,157	188,366
Employee Benefits	13,490	85,498	117,600	32,102	100,324	110,088
Other Charges	-	1,400	480	(920)	470	569
Depreciation	17,400	139,200	178,400	39,200	121,600	177,600
Total Production Expenses	83,482	698,713	827,813	129,100	747,466	786,392
<u>Distribution</u>						
Salaries and Wages	38,418	462,030	394,467	(67,563)	395,556	399,300
Operations and Maintenance	20,831	123,299	186,000	62,701	159,705	273,114
Employee Benefits	15,017	110,864	132,800	21,936	101,848	108,261
Other Charges	425	19,710	17,067	(2,643)	24,047	18,762
Depreciation	88,700	709,600	688,600	(21,000)	683,200	543,200
Total Distribution Expenses	163,391	1,425,503	1,418,933	(6,570)	1,364,356	1,342,637
<u>General and Administrative</u>						
Salaries and Wages	17,832	178,049	285,593	107,544	187,425	190,965
Operations and Maintenance	18,195	144,991	151,200	6,209	111,429	121,355
Insurance and Bonds	8,490	47,602	45,600	(2,002)	41,783	45,737
Employee Benefits	10,904	77,399	111,200	33,801	84,346	115,501
Other Charges	12,881	123,182	111,200	(11,982)	93,014	63,731
Depreciation	5,070	40,560	37,067	(3,493)	36,556	31,760
Total Gen. and Admin. Expenses	73,372	611,783	741,860	130,077	554,553	569,049
Total Operating Expenses	320,245	2,735,999	2,988,607	252,608	2,666,375	2,698,078
<b>NET OPERATING INCOME (LOSS)</b>	79,649	15,598	(253,473)	269,071	(183,741)	(391,649)
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	1,263	7,140	6,400	740	23,386	17,250
Local Option Sales Tax - Baxter	-	-	232,800	(232,800)	-	348,693
Bond Premium	10,188	81,643	98,400	(16,757)	83,922	98,489
Bond Issuance Costs	-	-	-	-	-	-
Interest Expense - Bonds	(30,493)	(220,793)	(201,600)	(19,193)	(209,571)	(205,346)
Gain on Disposal of Capital Assets	-	-	-	-	832	-
Total Nonoperating Revenue	(19,042)	(132,010)	136,000	(268,010)	(101,431)	259,086
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	60,607	(116,412)	(117,473)	1,061	(285,172)	(132,563)
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	\$ 60,607	\$ (116,412)	\$ (117,473)	\$ 1,061	\$ (285,172)	\$ (132,563)

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WATER DEPARTMENT  
FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2025, 2024, 2023, AND 2023**

	GALLONS SOLD		REVENUE		AVERAGE PER 1,000 GALLONS	
	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024
Residential	110,882,145	104,873,032	\$ 1,308,182	\$ 1,066,263	\$ 11.80	\$ 10.17
Commercial	161,457,956	152,981,085	1,377,584	1,171,633	8.53	7.66
City of Baxter	1,141,000	31,627,000	12,090	82,354	10.60	2.60
Total	<u>273,481,101</u>	<u>289,481,117</u>	<u>\$ 2,697,856</u>	<u>\$ 2,320,250</u>	<u>\$ 9.86</u>	<u>\$ 8.02</u>
% Change From Previous Year	<u>-5.53%</u>	<u>12.38%</u>	<u>16.27%</u>	<u>2.12%</u>	<u>23.08%</u>	<u>-9.13%</u>

	% TO TOTAL - GALLONS		% TO TOTAL - REVENUE		TOTAL METERS IN SERVICE	
	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024
Residential	40.54%	36.23%	48.49%	45.95%	4,097	4,083
Commercial	59.04%	52.85%	51.06%	50.50%	993	987
City of Baxter	0.42%	10.93%	0.45%	3.55%	1	1
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>5,091</u>	<u>5,071</u>
% Change From Previous Year					<u>0.39%</u>	<u>0.34%</u>

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WASTEWATER TREATMENT DEPARTMENT**  
**FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2025, 2024, AND 2023**

	August 31, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current Month	Year to Date			August 31,	
					2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 137,963	\$ 1,073,340	\$ 1,044,000	\$ 29,340	\$ 1,013,409	\$ 948,122
Commercial	85,504	539,708	757,733	(218,025)	707,590	536,839
Total Utility Revenue	223,467	1,613,048	1,801,733	(188,685)	1,720,999	1,484,961
<u>Other Operating Revenue</u>						
Penalties	3,561	27,547	18,400	9,147	24,960	20,416
Reimbursement of Expenses - Baxter	80,163	626,854	533,333	93,521	544,872	521,645
Other	619	8,611	34,000	(25,389)	50,975	1,940
Total Other Operating Revenue	84,343	663,012	585,733	77,279	620,807	544,001
Total Operating Revenue	307,810	2,276,060	2,387,467	(111,406)	2,341,806	2,028,962
<b>OPERATING EXPENSES</b>						
<u>Treatment</u>						
Salaries and Wages	38,418	407,058	304,533	(102,525)	298,248	284,699
Operations and Maintenance	98,225	679,957	702,333	22,376	577,331	689,785
Employee Benefits	15,486	110,444	104,267	(6,177)	95,964	81,705
Other Charges	1,827	11,117	26,800	15,683	14,818	17,627
Depreciation	119,200	953,600	944,000	(9,600)	953,600	936,000
Total Treatment Expenses	273,156	2,162,176	2,081,933	(80,243)	1,939,961	2,009,816
<u>Lift Stations</u>						
Salaries and Wages	7,063	100,819	111,533	10,714	66,051	55,967
Operations and Maintenance	10,472	94,476	127,867	33,391	104,512	129,039
Employee Benefits	4,434	32,846	35,200	2,354	25,068	20,461
Other Charges	-	176	1,600	1,424	2,079	2,454
Depreciation	18,000	144,000	179,200	35,200	184,000	177,600
Total Collection Expenses	39,969	372,317	455,400	83,083	381,710	385,521
<u>General and Administrative</u>						
Salaries and Wages	18,239	172,833	253,860	81,027	172,346	182,795
Operations and Maintenance	13,016	97,070	116,987	19,917	110,851	99,390
Insurance and Bonds	13,212	68,875	57,133	(11,742)	62,510	51,187
Employee Benefits	10,192	72,012	103,200	31,188	76,264	109,543
Other Charges	14,618	131,141	117,033	(14,108)	104,788	73,992
Depreciation and Amortization	3,970	31,760	23,267	(8,493)	29,356	22,958
Total Gen. and Admin. Expenses	73,247	573,691	671,480	97,789	556,115	539,865
Total Operating Expenses	386,372	3,108,184	3,208,813	100,629	2,877,786	2,935,202
<b>NET OPERATING LOSS</b>	(78,562)	(832,124)	(821,347)	(10,777)	(535,980)	(906,240)
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	63,399	297,963	66,667	231,296	314,353	98,213
Interest Revenue - Notes Receivable	6,558	52,464	-	52,464	74,259	71,470
Interest Expense - Bonds	(25,717)	(210,619)	(242,400)	31,781	(246,870)	(229,650)
Bond Premium	1,232	9,387	5,600	3,787	5,696	5,920
Local Option Sales Tax - Brainerd	141,318	1,265,559	981,600	283,959	1,185,534	926,089
Local Option Sales Tax - Baxter	-	-	48,800	(48,800)	-	92,528
Federal Grant Revenue - Build America Bond	5,100	71,309	41,600	29,709	25,014	47,568
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenue	191,890	1,486,063	901,867	584,196	1,357,986	1,012,138
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	113,328	653,939	80,520	573,419	822,006	105,898
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	\$ 113,328	\$ 653,939	\$ 80,520	\$ 573,419	\$ 822,006	\$ 105,898

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WASTEWATER TREATMENT DEPARTMENT  
FOR THE EIGHT MONTH PERIOD ENDED AUGUST 31, 2025, 2024, AND 2023**

	GALLONS PROCESSED		REVENUE		AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2023
Residential	110,064,133	104,179,768	\$ 1,073,340	\$ 1,013,409	\$ 9.75	\$ 9.73	\$ 7.85
Commercial	107,046,741	113,018,879	539,708	707,590	5.04	6.26	5.06
City of Baxter	162,686,000	157,664,000	626,854	544,872	3.85	3.46	3.25
Total	<u>379,796,874</u>	<u>374,862,647</u>	<u>\$ 2,239,902</u>	<u>\$ 2,265,871</u>	<u>\$ 5.90</u>	<u>\$ 6.04</u>	<u>\$ 5.18</u>
% Change From Previous Year	1.32%	-3.24%	-1.15%	12.92%	-2.43%	16.70%	NA

	% TO TOTAL - GALLONS		% TO TOTAL - REVENUE		TOTAL METERS IN SERVICE		
	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2025	PERIOD ENDED AUGUST 31, 2024	PERIOD ENDED AUGUST 31, 2023
Residential	28.98%	27.79%	47.92%	44.72%	4,074	4,054	4,038
Commercial	28.19%	30.15%	24.10%	31.23%	845	849	842
City of Baxter	42.84%	42.06%	27.99%	24.05%	1	1	1
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>4,920</u>	<u>4,904</u>	<u>4,881</u>
% Change From Previous Year					0.33%	0.47%	NA



**Monthly Financial  
Report  
September 2025**

**BRAINERD PUBLIC UTILITIES  
COMPARISON OF OPERATING RESULTS  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025 AND 2024**

	2025		2024	
	Amount	Percent of Sales	Amount	Percent of Sales
<b>OPERATING REVENUE</b>				
Department				
Electric	\$ 22,318,306	79.6%	\$ 20,966,174	78.9%
Water	3,125,367	11.2%	3,006,759	11.3%
Wastewater	2,581,999	9.2%	2,615,028	9.8%
Total Operating Revenue	<u>28,025,672</u>	<u>100.0%</u>	<u>26,587,961</u>	<u>100.0%</u>
<b>OPERATING EXPENSES</b>				
Salaries and Wages	3,944,973	14.1%	3,550,292	13.4%
Purchased Power	14,816,823	52.9%	14,055,627	52.9%
Operations and Maintenance	2,402,637	8.6%	2,212,354	8.3%
Other Charges	855,127	3.1%	705,466	2.7%
Employee Benefits	1,237,455	4.4%	1,211,505	4.6%
Insurance and Bonds	363,892	1.3%	295,341	1.1%
Depreciation and Amortization	4,064,886	14.5%	3,970,377	14.9%
Total Operating Expenses	<u>27,685,793</u>	<u>98.8%</u>	<u>26,000,962</u>	<u>97.8%</u>
<b>OPERATING REVENUE</b>	<u>339,879</u>	<u>1.2%</u>	<u>586,999</u>	<u>2.2%</u>
<b>NONOPERATING REVENUE</b>				
Interest Revenue - Investments	374,020	1.3%	515,555	1.9%
Interest Revenue - Notes Receivable	59,022	0.2%	81,859	0.3%
Bond Premium	110,307	0.4%	109,892	0.4%
Interest Expense - Bonds	(576,499)	-2.1%	(624,315)	-2.3%
Local Option Sales Tax-Brainerd	1,420,006	5.1%	1,322,620	5.0%
Other	79,959	0.3%	30,946	0.1%
Total Nonoperating Revenue	<u>1,466,815</u>	<u>5.2%</u>	<u>1,436,557</u>	<u>5.4%</u>
<b>INCOME BEFORE OPERATING TRANSFERS TO THE CITY</b>	1,806,694	6.4%	2,023,556	7.6%
<b>CAPITAL CONTRIBUTIONS</b>	-	0.0%	-	0.0%
<b>TRANSFERS TO THE CITY</b>	(589,479)	-2.1%	(583,559)	-2.2%
<b>CHANGE IN NET ASSETS</b>	<u>\$ 1,217,215</u>	<u>4.3%</u>	<u>\$ 1,439,997</u>	<u>5.4%</u>

**BRainerd PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION BY DEPARTMENT**  
**SEPTEMBER 30, 2025 AND 2024**

	Electric	Water	Wastewater Treatment	Totals	
				2025	2024
<b>ASSETS</b>					
<b>UTILITY PLANT</b>					
Construction in Progress	\$ 1,921,581	\$ 661,183	\$ 1,999,909	\$ 4,582,673	\$ 8,074,830
Right-to-Use	430,613	18,402	18,402	467,417	461,978
In Service	51,869,660	40,061,750	42,850,942	134,782,352	125,933,219
Total Investment in Utility Plant	54,221,854	40,741,335	44,869,253	139,832,442	134,470,027
Less: Accumulated Depreciation	(29,671,696)	(17,903,623)	(24,085,099)	(71,660,418)	(66,217,297)
Net Utility Plant	24,550,158	22,837,712	20,784,154	68,172,024	68,252,730
<b>CASH AND INVESTMENTS</b>					
<u>Nonrestricted</u>	5,119,959	(3,226,733)	4,395,836	6,289,062	7,003,634
<u>Restricted</u>					
Customer Deposits	646,103	-	-	646,103	545,356
City of Brainerd Contribution	88,931	-	-	88,931	141,271
Conservation Incentive Program	582,137	-	-	582,137	537,513
Water and Sewer Accessibility Charges	-	621,024	7,138	628,162	559,102
Construction Bond Proceeds	-	-	-	-	-
Debt Service Reserve	1,117,250	1,449,702	2,139,099	4,706,051	4,799,827
Total Restricted Cash and Investments	2,434,421	2,070,726	2,146,237	6,651,384	6,583,069
Total Cash and Investments	7,554,380	(1,156,007)	6,542,073	12,940,446	13,586,703
<b>CURRENT ASSETS</b>					
Accounts Receivable	4,415,265	609,688	3,126,822	8,151,775	7,453,249
Interest Receivable	15,457	2,421	31,924	49,802	28,728
Inventory	2,099,022	145,488	-	2,244,510	2,635,007
Prepaid Expenses	62,907	14,635	19,073	96,615	225,547
Total Current Assets	6,592,651	772,232	3,177,819	10,542,702	10,342,531
<b>OTHER ASSETS</b>					
Bonds and Notes Receivable	-	-	-	-	-
Interest Receivable - Notes Receivable	-	-	15,431	15,431	7,642
Service Territory Acquisitions, Net of Accumulated Amortization	140,083	-	-	-	185,383
Deferred Outflows of Resources	287,943	95,980	95,980	479,903	1,050,948
Investment in Solar Generation Facility	617,954	-	-	617,954	662,073
Total Other Assets	1,045,980	95,980	111,411	1,113,288	1,906,046
Total Assets	39,743,169	22,549,917	30,615,457	92,768,460	94,088,010
<b>LIABILITIES AND NET ASSETS</b>					
<b>NET POSITION</b>					
Net Investment in Capital Assets	20,167,361	12,288,511	12,925,204	45,381,076	42,697,917
Restricted	-	1,480,711	2,125,976	3,606,687	3,681,988
Unrestricted	8,094,332	(3,023,427)	6,476,719	11,547,625	12,253,411
Total Net Position	28,261,693	10,745,795	21,527,899	60,535,387	58,633,316
<b>LONG-TERM LIABILITIES</b>					
Revenue Bonds Payable	3,310,000	9,895,000	2,254,200	15,459,200	16,718,200
PFA Construction Loan Payable	-	-	3,648,000	3,648,000	5,285,000
Compensated Absences	638,954	239,765	202,253	1,080,972	1,049,868
Other Postemployment Benefit Obligation	199,331	66,443	66,443	332,217	366,208
Net Pension Liability	1,241,138	413,713	413,713	2,068,564	3,405,460
Deferred Inflows of Resources	1,104,250	368,082	368,082	1,840,414	1,303,305
Capital Lease Payable	358,292	384	384	359,060	369,380
Revenue Bond Premium	26,035	575,749	86,845	688,629	742,983
Total Long-Term Liabilities	6,878,000	11,559,136	7,039,920	25,477,056	29,240,404
<b>CURRENT LIABILITIES</b>					
Accounts Payable	1,843,124	4,995	-	1,848,119	1,411,769
Revenue Bonds Payable	1,120,000	75,000	79,200	1,274,200	1,194,200
PFA Construction Loan Payable	-	-	1,585,000	1,585,000	1,585,000
Capital Lease Payable	11,470	3,068	3,068	17,606	28,497
Payable to City of Brainerd	88,931	-	266,651	355,582	402,939
Conservation Incentive Program Payable	582,137	-	-	582,137	537,513
Accrued Expenses					
Salaries and Withholding Taxes	66,012	125,828	85,165	277,005	218,596
Sales Taxes	202,953	5,086	-	208,039	173,458
Bond Interest	42,746	31,009	28,554	102,309	116,962
Customer Deposits	646,103	-	-	646,103	545,356
Total Current Liabilities	4,603,476	244,986	2,047,638	6,896,100	6,214,290
Total Liabilities	11,481,476	11,804,122	9,087,558	32,373,156	35,454,694
Total Liabilities and Net Position	\$ 39,743,169	\$ 22,549,917	\$ 30,615,457	\$ 92,908,543	\$ 94,088,010

**BRAINERD PUBLIC UTILITIES**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY DEPARTMENT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025, 2024, AND 2023**

	09/30/2025				Totals	
	Electric	Water	Wastewater Treatment	Total	September 30,	
					2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>	\$ 21,713,832	\$ 3,067,895	\$ 1,833,106	\$ 26,614,833	\$ 25,176,447	\$ 22,213,269
Other Operating Revenue	604,474	57,472	748,893	1,410,839	1,411,514	965,971
Total Operating Revenue	22,318,306	3,125,367	2,581,999	28,025,672	26,587,961	23,179,240
<b>OPERATING EXPENSES</b>						
<u>Purchased Power</u>	14,816,823	-	-	14,816,823	14,055,627	10,229,300
<u>Production/Generation</u>						
Salaries and Wages	230,443	303,725	441,821	975,989	886,724	1,057,661
Operations and Maintenance	20,665	211,718	847,304	1,079,687	908,216	1,025,678
Employee Benefits	72,218	96,722	123,084	292,024	289,714	333,245
Other Charges	300	1,400	12,427	14,127	11,134	22,363
Total Generation/Production Expenses	323,626	613,565	1,424,636	2,361,827	2,095,788	2,438,947
<u>Distribution</u>						
Salaries and Wages	1,396,770	507,098	110,997	2,014,865	1,660,841	1,549,833
Operations and Maintenance	329,949	134,641	106,378	570,968	606,878	696,228
Employee Benefits	310,094	123,597	37,088	470,779	478,130	451,088
Other Charges	41,041	20,343	176	61,560	61,852	79,818
Total Distribution Expenses	2,077,854	785,679	254,639	3,118,172	2,807,701	2,776,967
<u>General and Administrative</u>						
Salaries and Wages	570,471	194,712	188,936	954,119	1,002,727	1,004,925
Operations and Maintenance	481,794	163,112	107,076	751,982	697,260	701,073
Insurance and Bonds	225,713	56,092	82,087	363,892	295,341	285,651
Employee Benefits	307,094	86,823	80,735	474,652	443,661	577,516
Other Charges	494,863	137,857	146,720	779,440	632,480	471,630
Total Gen. and Admin. Expenses	2,079,935	638,596	605,554	3,324,085	3,071,469	3,040,795
<u>Depreciation and Amortization</u>	1,793,826	1,000,530	1,270,530	4,064,886	3,970,377	3,778,387
Total Operating Expenses	21,092,064	3,038,370	3,555,359	27,685,793	26,000,962	22,264,396
<b>NET OPERATING INCOME (LOSS)</b>	1,226,242	86,997	(973,360)	339,879	586,999	914,844
<b>NONOPERATING REVENUE (EXPENSE)</b>						
Interest Revenue - Investments	22,107	8,366	343,547	374,020	515,555	127,740
Bond Premium	7,857	91,831	10,619	110,307	109,892	128,202
Interest Revenue - Notes Receivable	-	-	59,022	59,022	81,859	78,970
Local Option Sales Tax	-	-	1,420,006	1,420,006	1,322,620	1,499,289
Interest Expense - Bonds	(94,813)	(248,878)	(232,808)	(576,499)	(624,315)	(622,006)
Other	3,550	-	76,409	79,959	30,946	52,668
Total Nonoperating Revenue (Expense)	(61,299)	(148,681)	1,676,795	1,466,815	1,436,557	1,264,863
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	1,164,943	(61,684)	703,435	1,806,694	2,023,556	2,179,707
<b>TRANSFERS TO THE CITY</b>	(589,479)	-	-	(589,479)	(583,559)	(596,548)
<b>CHANGE IN NET POSITION</b>	\$ 575,464	\$ (61,684)	\$ 703,435	\$ 1,217,215	\$ 1,439,997	\$ 1,583,159

**BRAINERD PUBLIC UTILITIES**  
**COMBINING STATEMENT OF NET POSITION FOR ELECTRIC DEPARTMENT**  
**SEPTEMBER 30, 2025 AND 2024**

ASSETS	September 30, 2025			2024
	Generation	Distribution	Total	
<b>UTILITY PLANT</b>				
Construction in Progress	\$ 927,860	\$ 993,721	\$ 1,921,581	\$ 3,559,225
Right-to-Use	-	430,613	430,613	421,686
In Service	8,082,167	43,787,493	51,869,660	48,234,626
Total Investment in Utility Plant	9,010,027	45,211,827	54,221,854	52,215,537
Less: Accumulated Depreciation	(3,135,479)	(26,536,217)	(29,671,696)	(27,261,479)
Net Utility Plant	5,874,548	18,675,610	24,550,158	24,954,058
<b>CASH AND INVESTMENTS</b>				
<u>Nonrestricted</u>	(5,113,351)	10,233,310	5,119,959	4,630,868
<u>Restricted</u>				
Customer Deposits	-	646,103	646,103	545,356
City of Brainerd Contribution	-	88,931	88,931	141,271
Conservation Incentive Program	-	582,137	582,137	537,513
Debt Service Reserve	686,750	430,500	1,117,250	1,117,250
Total Restricted Cash and Investments	686,750	1,747,671	2,434,421	2,341,390
Total Cash and Investments	(4,426,601)	11,980,981	7,554,380	6,972,258
<b>CURRENT ASSETS</b>				
Accounts Receivable	-	4,415,265	4,415,265	3,707,642
Interest Receivable	-	15,457	15,457	10,843
Inventory	-	2,099,022	2,099,022	2,492,571
Prepaid Expenses	(5,559)	68,466	62,907	157,695
Total Current Assets	(5,559)	6,598,210	6,592,651	6,368,751
<b>OTHER ASSETS</b>				
Service Territory Acquisitions, Net of Accumulated Amortization	-	140,083	140,083	185,383
Deferred Outflows of Resources	47,991	239,952	287,943	630,568
Investment in Solar Generation Facility	-	617,954	617,954	662,073
Total Other Assets	47,991	997,989	1,045,980	1,478,024
Total Assets	1,490,379	38,252,790	39,743,169	39,773,091
<b>LIABILITIES AND NET ASSETS</b>				
Net Investment in Capital Assets	3,117,013	17,050,348	20,167,361	19,547,227
Unrestricted	(5,237,512)	13,331,844	8,094,332	7,647,909
Total Net Position	(2,120,499)	30,382,192	28,261,693	27,195,136
<b>LONG-TERM LIABILITIES</b>				
Revenue Bonds Payable	2,370,000	940,000	3,310,000	4,500,000
Compensated Absences	69,199	569,755	638,954	598,902
Other Postemployment Benefit Obligation	33,222	166,109	199,331	219,726
Net Pension Liability	206,856	1,034,282	1,241,138	2,043,276
Deferred Inflows of Resources	184,042	920,208	1,104,250	781,983
Capital Lease Payable	-	358,292	358,292	365,982
Revenue Bond Premium	26,035	-	26,035	36,912
Total Long-Term Liabilities	2,889,354	3,988,646	6,878,000	8,546,781
<b>CURRENT LIABILITIES</b>				
Accounts Payable	-	1,843,124	1,843,124	1,406,641
Revenue Bonds Payable	665,000	455,000	1,120,000	1,040,000
Capital Lease Payable	-	11,470	11,470	17,937
Payable to City of Brainerd	-	88,931	88,931	141,271
Conservation Incentive Program Payable	-	582,137	582,137	537,513
Accrued Expenses				
Salaries and Withholding Taxes	24,203	41,809	66,012	122,226
Sales Taxes	34	202,919	202,953	168,437
Bond Interest	32,287	10,459	42,746	51,793
Customer Deposits	-	646,103	646,103	545,356
Total Current Liabilities	721,524	3,881,952	4,603,476	4,031,174
Total Liabilities	3,610,878	7,870,598	11,481,476	12,577,955
Total Liabilities and Net Position	\$ 1,490,379	\$ 38,252,790	\$ 39,743,169	\$ 39,773,091

**BRainerd PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - ELECTRIC DEPARTMENT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025, 2024, AND 2023**

	September 30, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date September 30,	
	Current Month	Year to Date			2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 576,467	\$ 5,084,470	\$ 5,220,000	\$ (135,530)	\$ 4,814,323	\$ 5,298,411
Commercial	960,587	7,940,994	7,965,000	(24,006)	7,638,719	8,110,673
Medium/Large Commercial	199,230	1,535,756	2,061,000	(525,244)	1,789,792	2,055,928
Industrial	895,969	6,322,510	6,750,000	(427,490)	5,491,768	1,616,709
City of Brainerd	30,625	269,590	271,800	(2,210)	262,514	273,240
BPU	55,442	560,512	585,000	(24,488)	562,220	617,708
Total Utility Revenue	2,718,320	21,713,832	22,852,800	(1,138,968)	20,559,335	17,972,669
<u>Other Operating Revenue</u>						
Penalties	23,280	128,970	76,500	52,470	107,416	101,654
Other	329,350	475,504	171,300	304,204	299,423	213,068
Total Other Operating Revenue	352,630	604,474	247,800	356,674	406,839	314,722
Total Operating Revenue	3,070,950	22,318,306	23,100,600	(782,294)	20,966,174	18,287,391
<b>OPERATING EXPENSES</b>						
<u>Purchased Power</u>						
All Other Customers	990,264	8,894,944	9,180,000	285,056	8,355,739	8,115,034
Solar Generation - Airport	56,915	564,786	540,000	(24,786)	604,794	637,672
Crypto Mining Customers	813,150	5,357,093	5,250,000	(107,093)	5,095,094	1,476,594
Total Purchased Power Expense	1,860,329	14,816,823	14,970,000	153,177	14,055,627	10,229,300
<u>Generation</u>						
Salaries and Wages	19,375	230,443	177,375	(53,068)	211,272	373,889
Operations and Maintenance	919	20,665	30,825	10,160	19,023	35,923
Employee Benefits	7,761	72,218	38,700	(33,518)	72,415	107,671
Other Charges	-	300	4,500	4,200	299	651
Depreciation	27,300	245,700	244,800	(900)	246,600	244,800
Total Generation Expenses	55,355	569,326	496,200	(73,126)	549,609	762,934
<u>Distribution</u>						
Salaries and Wages	142,253	1,396,770	1,516,725	119,955	1,135,494	1,046,559
Operations and Maintenance	42,627	329,949	463,200	133,251	308,226	258,195
Employee Benefits	33,938	310,094	363,600	53,506	336,938	300,820
Other Charges	1,063	41,041	51,450	10,409	44,627	55,092
Depreciation and Amortization	154,600	1,391,400	1,286,550	(104,850)	1,327,500	1,282,500
Total Distribution Expenses	374,481	3,469,254	3,681,525	212,271	3,152,785	2,943,166
<u>General and Administrative</u>						
Salaries and Wages	47,748	570,471	847,200	276,729	595,818	596,202
Operations and Maintenance	35,728	481,794	520,260	38,466	433,422	429,233
Insurance and Bonds	30,417	225,713	200,850	(24,863)	173,469	177,135
Employee Benefits	2,211	307,094	390,150	83,056	265,355	339,908
Other Charges	49,415	494,863	402,750	(92,113)	407,059	308,929
Depreciation and Amortization	17,414	156,726	130,575	(26,151)	136,926	125,829
Total Gen. and Admin. Expenses	182,933	2,236,661	2,491,785	255,124	2,012,049	1,977,236
Total Operating Expenses	2,473,098	21,092,064	21,639,510	547,446	19,770,070	15,912,636
<b>NET OPERATING INCOME</b>	597,852	1,226,242	1,461,090	(234,848)	1,196,104	2,374,755
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	4,577	22,107	7,200	14,907	122,130	1,115
Interest Expense - Bonds	(10,343)	(94,813)	(117,600)	22,787	(114,817)	(137,474)
Sale of Renewable Energy Credits	-	-	-	-	-	-
Bond Premium	873	7,857	9,900	(2,043)	9,072	10,745
Gain on Disposal of Capital Assets	8	3,550	900	2,650	-	-
Total Nonoperating Revenue	(4,886)	(61,299)	(99,600)	38,301	16,385	(125,614)
<b>INCOME BEFORE TRANSFERS TO THE CITY</b>	592,966	1,164,943	1,361,490	(196,547)	1,212,489	2,249,141
<b>TRANSFERS TO THE CITY</b>	(67,296)	(589,479)	(612,000)	22,521	(583,559)	(596,548)
<b>CHANGE IN NET POSITION</b>	\$ 525,670	\$ 575,464	\$ 749,490	\$ (174,026)	\$ 628,930	\$ 1,652,593

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - ELECTRIC DEPARTMENT  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025, 2024, AND 2023**

	KWH SOLD			REVENUE			AVERAGE REVENUE PER KWH		
	PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	42,191,980	39,979,306	40,544,084	\$ 5,084,470	\$ 4,814,323	\$ 5,298,411	\$ 0.1205	\$ 0.1204	\$ 0.1307
Commercial	37,036,398	36,239,232	37,804,495	8,771,096	8,463,453	9,001,621	0.2368	0.2335	0.2381
Medium/Large Commercial	51,227,571	52,834,585	53,310,046	1,535,756	1,789,792	2,055,928	0.0300	0.0339	0.0386
Industrial	120,076,952	120,172,243	31,722,005	6,322,510	5,491,768	1,616,709	0.0527	0.0457	0.0510
<b>Total</b>	<b>250,532,901</b>	<b>249,225,366</b>	<b>163,380,630</b>	<b>21,713,832</b>	<b>20,559,336</b>	<b>17,972,669</b>	<b>\$ 0.0867</b>	<b>\$ 0.0825</b>	<b>\$ 0.1100</b>
% Change From Previous Year	0.52%	52.54%	NA	5.62%	14.39%	NA	5.06%	-25.01%	NA

	% TO TOTAL - KWH			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	16.84%	16.04%	24.82%	23.42%	23.42%	29.48%	6,969	6,953	6,929
Commercial	14.78%	14.54%	23.14%	40.39%	41.17%	50.09%	1,328	1,313	1,317
Medium/Large Commercial	20.45%	21.20%	32.63%	7.07%	8.71%	11.44%	64	67	69
Industrial	47.93%	48.22%	19.42%	29.12%	26.71%	9.00%	1	1	1
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>8,362</b>	<b>8,334</b>	<b>8,316</b>
% Change From Previous Year							0.34%	0.22%	NA

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WATER DEPARTMENT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025, 2024, AND 2023**

	September 30, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date	
	Current	Year to			September 30,	
	Month	Date			2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 172,687	\$ 1,480,869	\$ 1,369,875	\$ 110,994	\$ 1,212,284	\$ 1,268,361
Commercial	171,142	1,364,297	1,286,400	77,897	1,303,801	1,089,752
City of Brainerd	13,234	115,591	99,533	16,058	102,230	115,879
BPU	12,976	107,138	74,467	32,671	76,018	89,331
Total Utility Revenue	370,039	3,067,895	2,830,275	237,620	2,694,333	2,563,323
<u>Other Operating Revenue</u>						
Penalties	3,531	26,797	15,300	11,497	21,050	18,610
Other	200	30,675	48,900	(18,225)	291,376	20,974
Total Other Operating Revenue	3,731	57,472	64,200	(6,728)	312,426	39,584
Total Operating Revenue	373,770	3,125,367	2,894,475	230,892	3,006,759	2,602,907
<b>OPERATING EXPENSES</b>						
<u>Production</u>						
Salaries and Wages	28,033	303,725	388,200	84,475	336,937	351,504
Operations and Maintenance	14,795	211,718	209,550	(2,168)	247,993	220,053
Employee Benefits	11,224	96,722	132,300	35,578	110,521	129,171
Other Charges	-	1,400	540	(860)	470	569
Depreciation	17,400	156,600	200,700	44,100	136,800	199,800
Total Production Expenses	71,452	770,165	931,290	161,125	832,721	901,097
<u>Distribution</u>						
Salaries and Wages	45,068	507,098	443,775	(63,323)	448,975	439,283
Operations and Maintenance	11,342	134,641	209,250	74,609	184,111	299,474
Employee Benefits	12,733	123,597	149,400	25,803	113,088	126,263
Other Charges	633	20,343	19,200	(1,143)	17,174	21,924
Depreciation	88,700	798,300	774,675	(23,625)	768,600	611,100
Total Distribution Expenses	158,476	1,583,979	1,596,300	12,321	1,531,948	1,498,044
<u>General and Administrative</u>						
Salaries and Wages	16,663	194,712	321,293	126,581	211,477	208,894
Operations and Maintenance	18,121	163,112	170,100	6,988	135,252	162,714
Insurance and Bonds	8,490	56,092	51,300	(4,792)	50,392	51,154
Employee Benefits	9,424	86,823	125,100	38,277	93,489	122,162
Other Charges	14,675	137,857	125,100	(12,757)	106,291	78,019
Depreciation	5,070	45,630	41,700	(3,930)	41,125	35,730
Total Gen. and Admin. Expenses	72,443	684,226	834,593	150,367	638,026	658,673
Total Operating Expenses	302,371	3,038,370	3,362,183	323,813	3,002,695	3,057,814
<b>NET OPERATING INCOME (LOSS)</b>	71,399	86,997	(467,708)	554,705	4,064	(454,907)
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	1,226	8,366	7,200	1,166	27,048	18,855
Local Option Sales Tax - Baxter	-	-	261,900	(261,900)	-	348,693
Bond Premium	10,188	91,831	110,700	(18,869)	94,412	110,825
Bond Issuance Costs	-	-	-	-	-	-
Interest Expense - Bonds	(28,085)	(248,878)	(226,800)	(22,078)	(232,772)	(230,549)
Gain on Disposal of Capital Assets	-	-	-	-	832	-
Total Nonoperating Revenue	(16,671)	(148,681)	153,000	(301,681)	(110,480)	247,824
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	54,728	(61,684)	(314,708)	253,024	(106,417)	(207,083)
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	\$ 54,728	\$ (61,684)	\$ (314,708)	\$ 253,024	\$ (106,417)	\$ (207,083)

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WATER DEPARTMENT  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025, 2024, AND 2023**

	GALLONS SOLD			REVENUE			AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	126,466,702	121,062,357	140,654,959	\$ 1,480,869	\$ 1,212,284	\$ 1,268,361	\$ 11.71	\$ 10.01	\$ 9.02
Commercial	184,983,160	177,799,684	189,521,354	1,573,773	1,288,281	1,286,962	8.51	7.25	6.79
City of Baxter	1,141,000	45,844,000	1,545,000	13,253	193,768	8,000	11.62	4.23	-
<b>Total</b>	<b>312,590,862</b>	<b>344,706,041</b>	<b>331,721,313</b>	<b>\$ 3,067,895</b>	<b>\$ 2,694,333</b>	<b>\$ 2,563,323</b>	<b>\$ 9.81</b>	<b>\$ 7.82</b>	<b>\$ 7.73</b>
% Change From Previous Year	-9.32%	3.91%	NA	13.86%	5.11%	NA	25.56%	1.15%	NA

	% TO TOTAL - GALLONS			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	40.46%	35.12%	42.40%	48.27%	44.99%	49.48%	4,102	4,083	4,068
Commercial	59.18%	51.58%	57.13%	51.30%	47.81%	50.21%	994	873	874
City of Baxter	0.37%	13.30%	0.47%	0.43%	7.19%	0.31%	1	1	1
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>5,097</b>	<b>4,957</b>	<b>4,943</b>
% Change From Previous Year							2.82%	0.28%	NA

**BRAINERD PUBLIC UTILITIES**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WASTEWATER TREATMENT DEPARTMENT**  
**FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025, 2024, AND 2023**

	September 30, 2025		Budget	Variance With Budget - Positive (Negative)	Year to Date September 30,	
	Current Month	Year to Date			2024	2023
<b>OPERATING REVENUES</b>						
<u>Utility Revenues</u>						
Residential	\$ 137,140	\$ 1,210,480	\$ 1,174,500	\$ 35,980	\$ 1,135,206	\$ 1,063,533
Commercial	82,918	622,626	852,450	(229,824)	787,573	613,744
Total Utility Revenue	220,058	1,833,106	2,026,950	(193,844)	1,922,779	1,677,277
<u>Other Operating Revenue</u>						
Penalties	3,895	31,442	20,700	10,742	28,037	22,706
Reimbursement of Expenses - Baxter	80,304	707,158	600,000	107,158	612,622	586,443
Other	1,682	10,293	38,250	(27,957)	51,590	2,516
Total Other Operating Revenue	85,881	748,893	658,950	89,943	692,249	611,665
Total Operating Revenue	305,939	2,581,999	2,685,900	(103,901)	2,615,028	2,288,942
<b>OPERATING EXPENSES</b>						
<u>Treatment</u>						
Salaries and Wages	34,763	441,821	342,600	(99,221)	338,515	332,268
Operations and Maintenance	167,347	847,304	790,125	(57,179)	641,200	769,702
Employee Benefits	12,640	123,084	117,300	(5,784)	106,778	96,403
Other Charges	1,310	12,427	30,150	17,723	10,365	21,143
Depreciation	119,200	1,072,800	1,062,000	(10,800)	1,072,800	1,053,000
Total Treatment Expenses	335,260	2,497,436	2,342,175	(155,261)	2,169,658	2,272,516
<u>Lift Stations</u>						
Salaries and Wages	10,178	110,997	125,475	14,478	76,372	63,991
Operations and Maintenance	11,902	106,378	143,850	37,472	114,541	138,559
Employee Benefits	4,242	37,088	39,600	2,512	28,104	24,005
Other Charges	-	176	1,800	1,624	51	2,802
Depreciation	18,000	162,000	201,600	39,600	207,000	199,800
Total Collection Expenses	44,322	416,639	512,325	95,686	426,068	429,157
<u>General and Administrative</u>						
Salaries and Wages	16,103	188,936	285,593	96,657	195,432	199,829
Operations and Maintenance	10,006	107,076	131,610	24,534	128,586	109,126
Insurance and Bonds	13,212	82,087	64,275	(17,812)	71,480	57,362
Employee Benefits	8,723	80,735	116,100	35,365	84,817	115,446
Other Charges	15,578	146,720	131,663	(15,058)	119,130	84,682
Depreciation and Amortization	3,970	35,730	26,175	(9,555)	33,026	25,828
Total Gen. and Admin. Expenses	67,592	641,284	755,415	114,131	632,471	592,273
Total Operating Expenses	447,174	3,555,359	3,609,915	54,556	3,228,197	3,293,946
<b>NET OPERATING LOSS</b>	(141,235)	(973,360)	(924,015)	(49,345)	(613,169)	(1,005,004)
<b>NONOPERATING REVENUE</b>						
Interest Revenue - Investments	45,584	343,547	75,000	268,547	366,377	107,770
Interest Revenue - Notes Receivable	6,558	59,022	-	59,022	81,859	78,970
Interest Expense - Bonds	(22,189)	(232,808)	(272,700)	39,892	(276,726)	(253,983)
Bond Premium	1,232	10,619	6,300	4,319	6,408	6,632
Local Option Sales Tax - Brainerd	154,447	1,420,006	1,104,300	315,706	1,322,620	1,058,068
Local Option Sales Tax - Baxter	-	-	54,900	(54,900)	-	92,528
Federal Grant Revenue - Build America Bond	5,100	76,409	46,800	29,609	30,114	52,668
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-	-
Total Nonoperating Revenue	190,732	1,676,795	1,014,600	662,195	1,530,652	1,142,653
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	49,497	703,435	90,585	612,850	917,483	137,649
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	\$ 49,497	\$ 703,435	\$ 90,585	\$ 612,850	\$ 917,483	\$ 137,649

**BRAINERD PUBLIC UTILITIES  
OPERATING STATISTICS - WASTEWATER TREATMENT DEPARTMENT  
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025, 2024, AND 2023**

	GALLONS PROCESSED			REVENUE			AVERAGE PER 1,000 GALLONS		
	PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	125,506,348	120,229,459	139,567,920	\$ 1,210,480	\$ 1,135,206	\$ 1,063,533	\$ 9.64	\$ 9.44	\$ 7.62
Commercial	121,294,386	129,009,834	122,461,677	622,626	787,573	613,744	5.13	6.10	5.01
City of Baxter	183,255,000	178,254,000	181,073,000	707,158	612,622	586,443	3.86	3.44	3.24
<b>Total</b>	<b>430,055,734</b>	<b>427,493,293</b>	<b>443,102,597</b>	<b>\$ 2,540,264</b>	<b>\$ 2,535,401</b>	<b>\$ 2,263,720</b>	<b>\$ 5.91</b>	<b>\$ 5.93</b>	<b>\$ 5.11</b>
% Change From Previous Year	0.60%	-3.52%	NA	0.19%	12.00%	NA	-0.41%	16.09%	NA
	% TO TOTAL - GALLONS			% TO TOTAL - REVENUE			TOTAL METERS IN SERVICE		
	PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,			PERIOD ENDED SEPTEMBER 30,		
	2025	2024	2023	2025	2024	2023	2025	2024	2023
Residential	29.18%	28.12%	31.50%	47.65%	44.77%	46.98%	4,069	4,065	4,039
Commercial	28.20%	30.18%	27.64%	24.51%	31.06%	27.11%	845	845	845
City of Baxter	42.61%	41.70%	40.86%	27.84%	24.16%	25.91%	1	1	1
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4,915</b>	<b>4,911</b>	<b>4,885</b>
% Change From Previous Year							0.08%	0.53%	NA

**Brainerd Public Utilities  
Calculation of Net Benefit of Hydro Generation  
For the Year Ended December 31, 2025**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Hydro Generation - kWh	1,021,000	917,000	1,002,000	968,000	1,252,000	1,094,000	1,242,000	1,213,000	992,000	666,000			10,367,000
Blended AEP Cost	\$ 0.06472	\$ 0.07869	\$ 0.08077	\$ 0.08472	\$ 0.08864	\$ 0.09010	\$ 0.08977	\$ 0.08937	\$ 0.08497	\$ 0.08497			\$ 0.0837
Calculated Benefit	66,079.12	72,158.73	80,931.54	82,008.96	110,977.28	98,569.40	111,494.34	108,405.81	84,290.24	56,590.02	-	-	871,505.44

**Brainerd Public Utilities  
Calculation of Net Benefit of Hydro Generation  
For the Year Ended December 31, 2024**

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Hydro Generation - kWh	863,000	952,000	968,000	978,000	802,000	745,000	794,000	941,000	909,000	4,000	539,000	708,000	9,203,000
Blended AEP Cost	\$ 0.07291	\$ 0.07199	\$ 0.07821	\$ 0.08334	\$ 0.08305	\$ 0.08360	\$ 0.07682	\$ 0.07970	\$ 0.07785	\$ 0.08055	\$ 0.06268	\$ 0.07022	\$ 0.0767
Calculated Full Benefit	62,921.33	68,534.48	75,707.28	81,506.52	66,606.10	62,282.00	60,995.08	74,997.70	70,765.65	322.20	33,784.52	49,715.76	708,138.62



# BRAINERD PUBLIC UTILITIES

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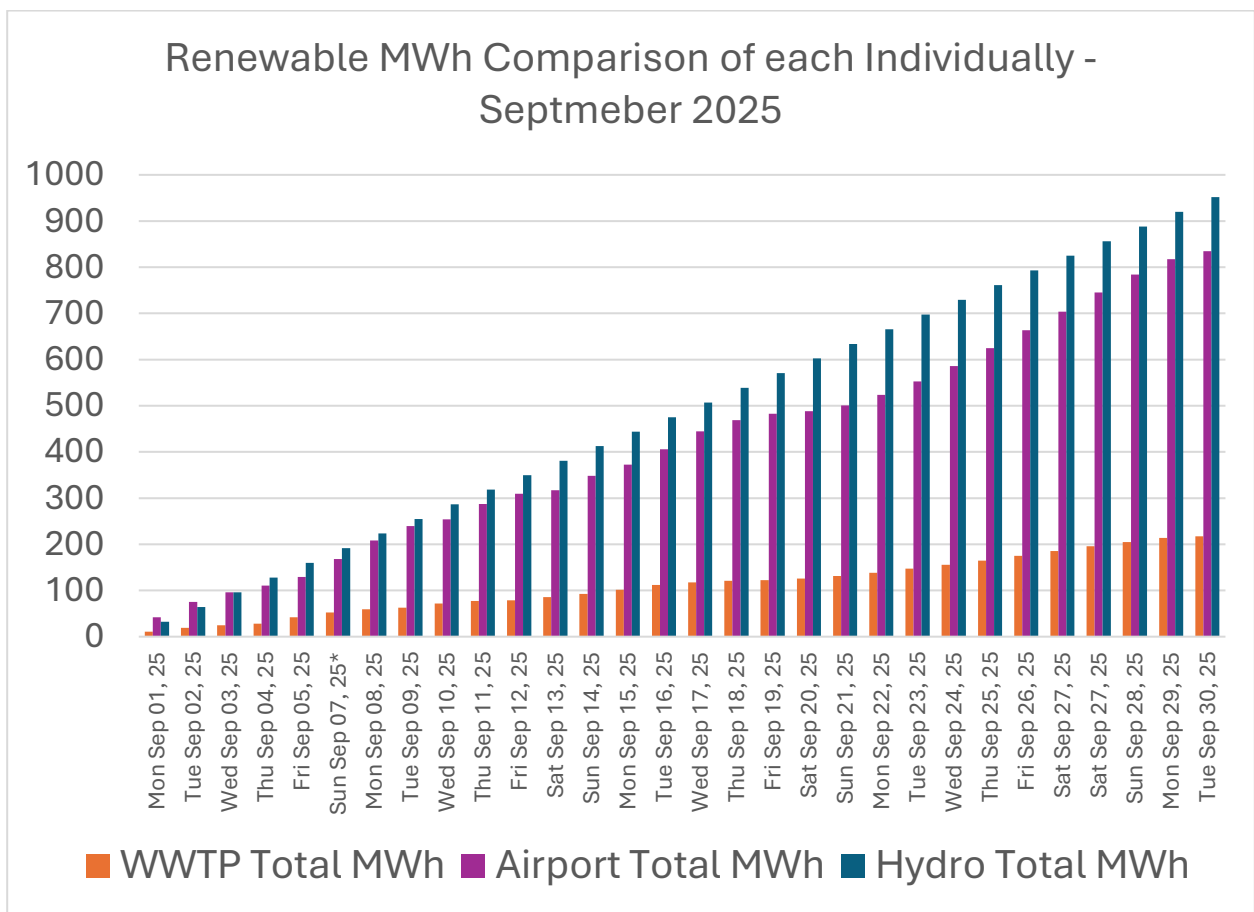
**Business Office:** 218.829.8726 ■ **Repair Service:** 218.829.2193

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## Brainerd Public Utilities Operations Managers Report October 2025

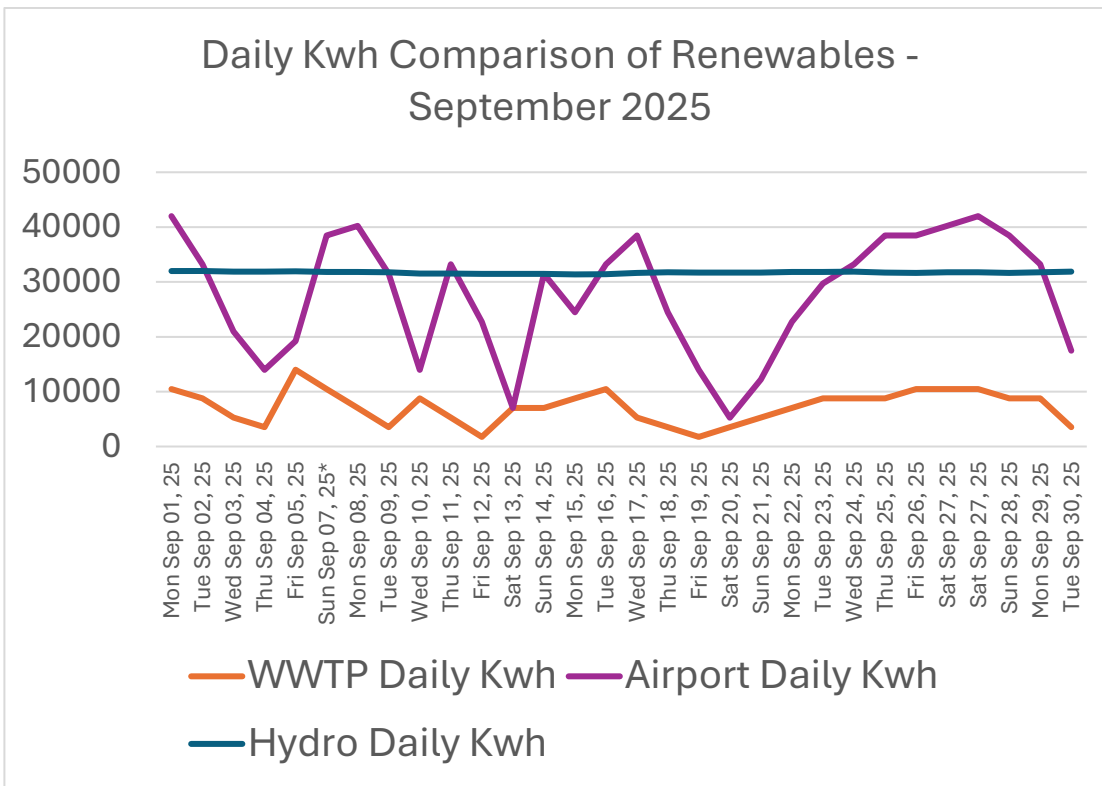
### Renewable Comparison – September 2025

The following graphs present BPU’s renewable energy production for September 2025, offering a comprehensive view of output levels and the contribution of clean energy resources to meeting customer demand.

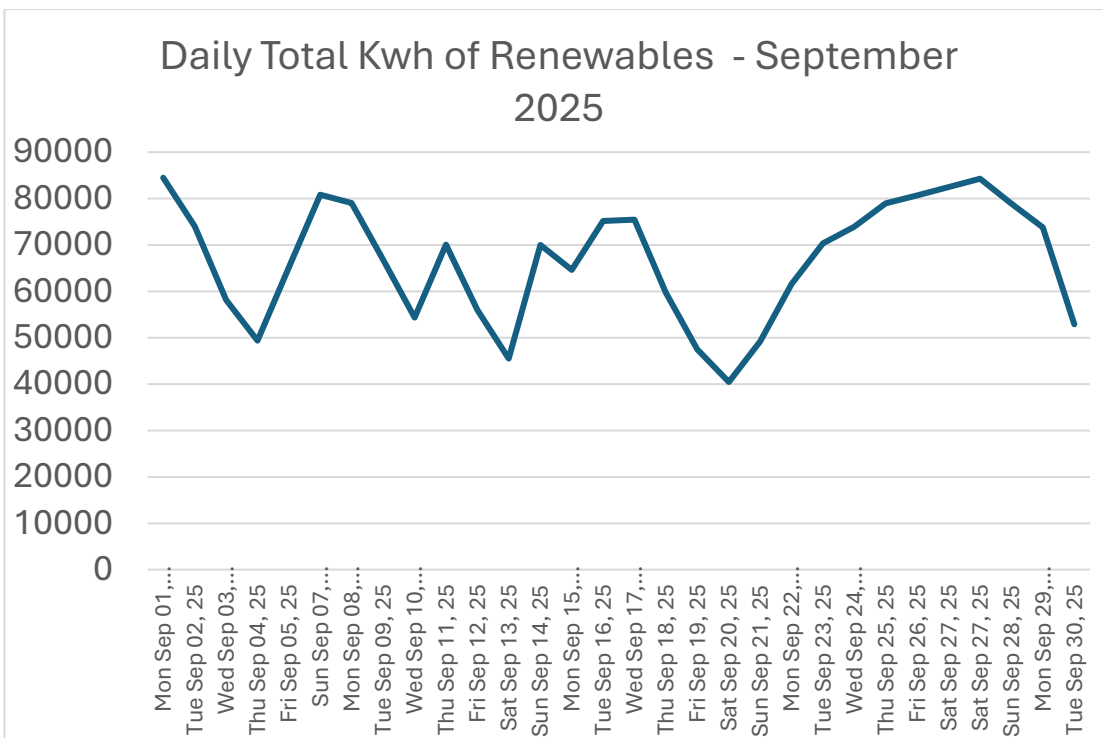


In September 2025, total renewable energy generation from BPU’s facilities amounted to approximately 2,268.94 megawatt-hours (MWh), representing a decrease of about 270 MWh, or 10.6 percent, compared to August 2025. Among the renewable sources, hydropower continued to produce the most energy, generating 1,077.84 MWh, which equates to roughly 15 percent of typical residential meter usage. This reflects a decline of 96.41 MWh from the previous month. The Airport Solar array followed with 945.35 MWh, or about 13 percent of typical residential usage, marking a reduction of 151.9 MWh from August. The WWTP Solar installation produced 245.75 MWh, or approximately 3 percent of typical residential usage, showing a modest decrease of 22 MWh month over month.

Despite the overall decline in renewable generation, hydropower remains the City’s most productive renewable source, while both solar facilities continue to provide significant contributions toward meeting the community’s clean energy goals. Seasonal factors, such as reduced sunlight and water flow, likely contributed to the lower production levels observed in September.



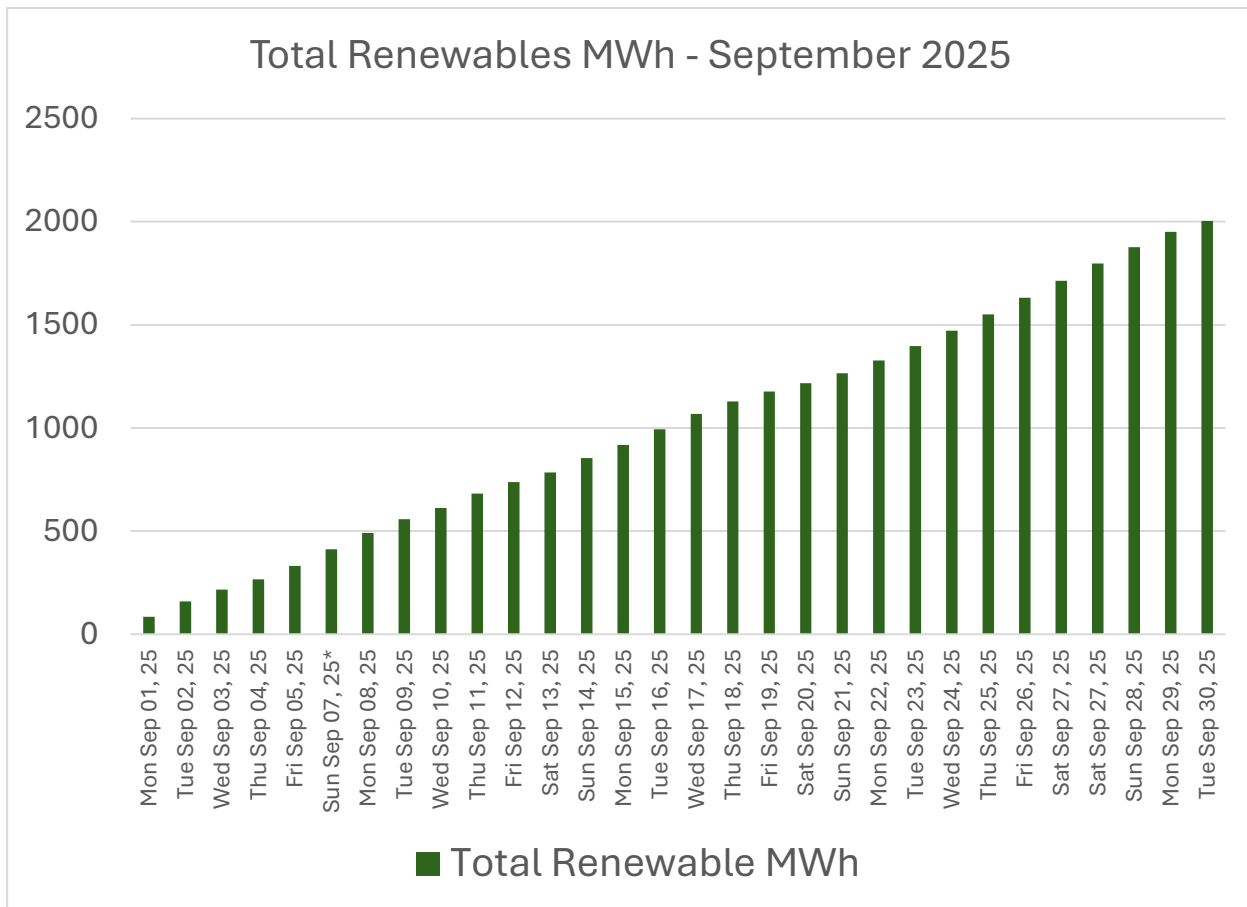
Daily Total Kwh of Renewables – September 2025



Renewable Energy and Residential Overview – September 2025

In September 2025, BPU’s renewable energy facilities collectively produced 2,268.95 megawatt-hours (MWh), representing approximately 32.5% of the energy needs of typical residential meters. This marks a decrease of 270.3 MWh compared to the previous month’s total of 2,539.25 MWh, which accounted for about 41.2% of typical residential usage—an overall decline of 8.7% month over month.

The estimate of residential usage is based on an average consumption range of 800 to 1,000 kilowatt-hours (kWh) per meter. As of September 2025, BPU served 6,974 residential meters, a figure updated every three months to reflect customer growth and service changes.



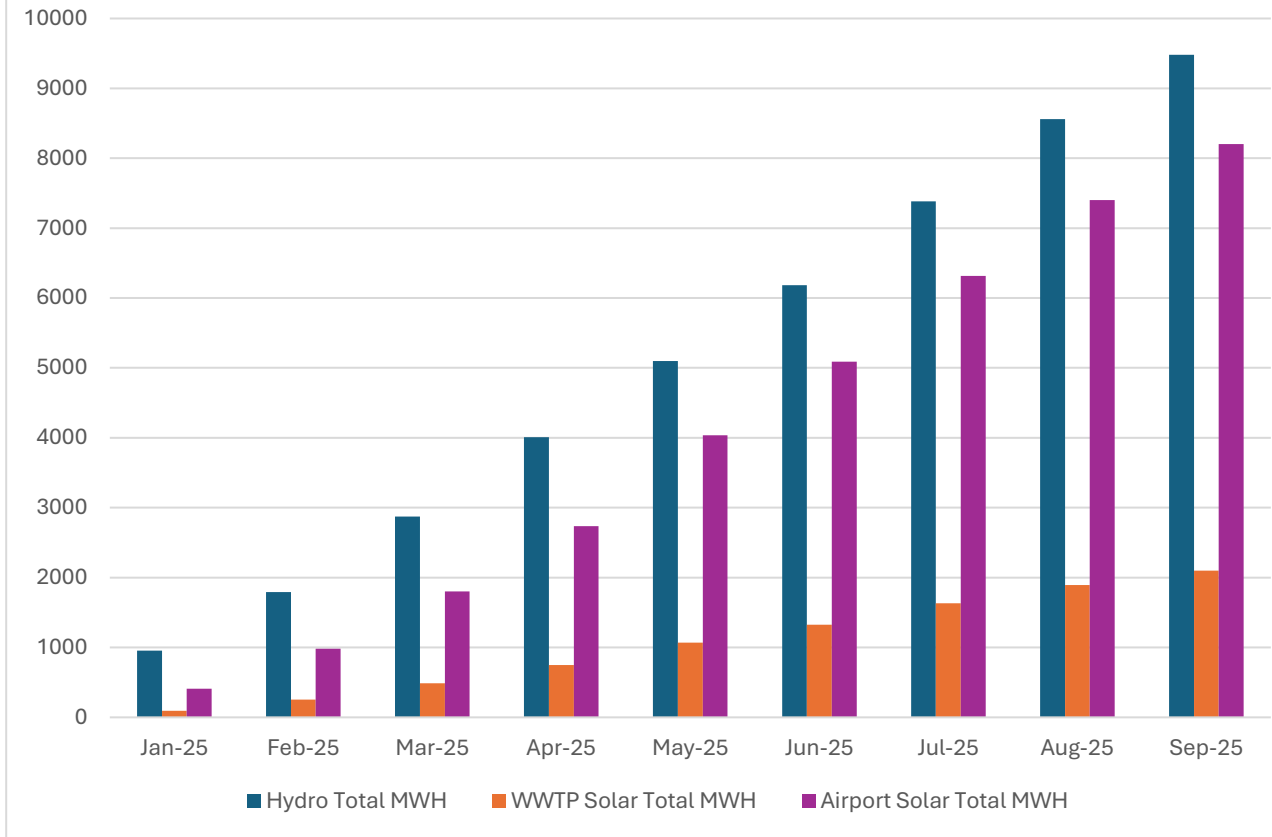
Renewable Energy Comparison – Year-to-Date (YTD) 2025

Year to date in 2025, BPU’s renewable energy facilities collectively generated a total of 19,780.93 megawatt-hours (MWh). Among the systems, Hydro has been the largest contributor, producing 9,781.32 MWh, followed by Airport Solar with 8,201.89 MWh, and WWTP Solar with 2,097.7 MWh.

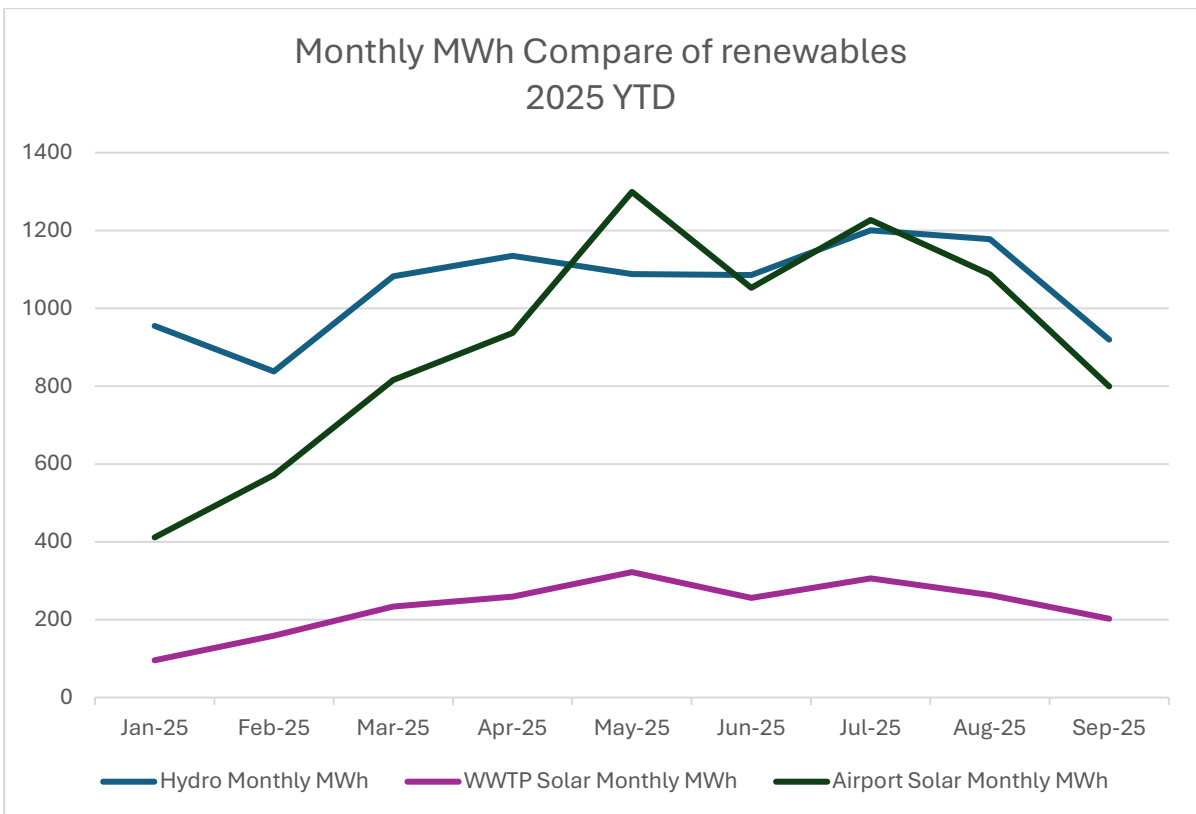
Each renewable system reached peak generation during different months of the year. Hydro production was highest in July, generating 1,230 MWh. The WWTP Solar array achieved its highest monthly output in May with 322 MWh, while the Airport Solar facility also peaked in May, producing 1,299 MWh.

Current system capacities are as follows: Airport Solar – 5.7 MW, WWTP Solar – 1.372 MW, and Hydro – 3.1 MW. These figures demonstrate the strong, ongoing contributions of BPU’s renewable portfolio toward the City’s clean energy and sustainability goals.

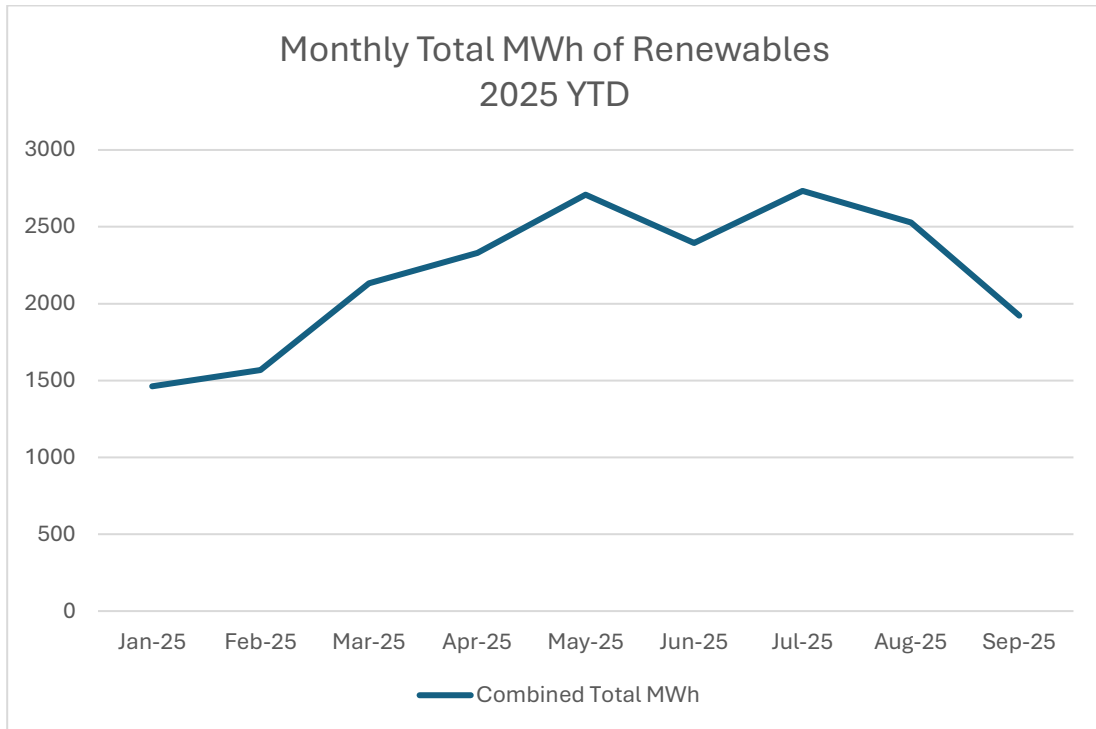
### Renewable MWh Comparison of each Individually 2025 YTD



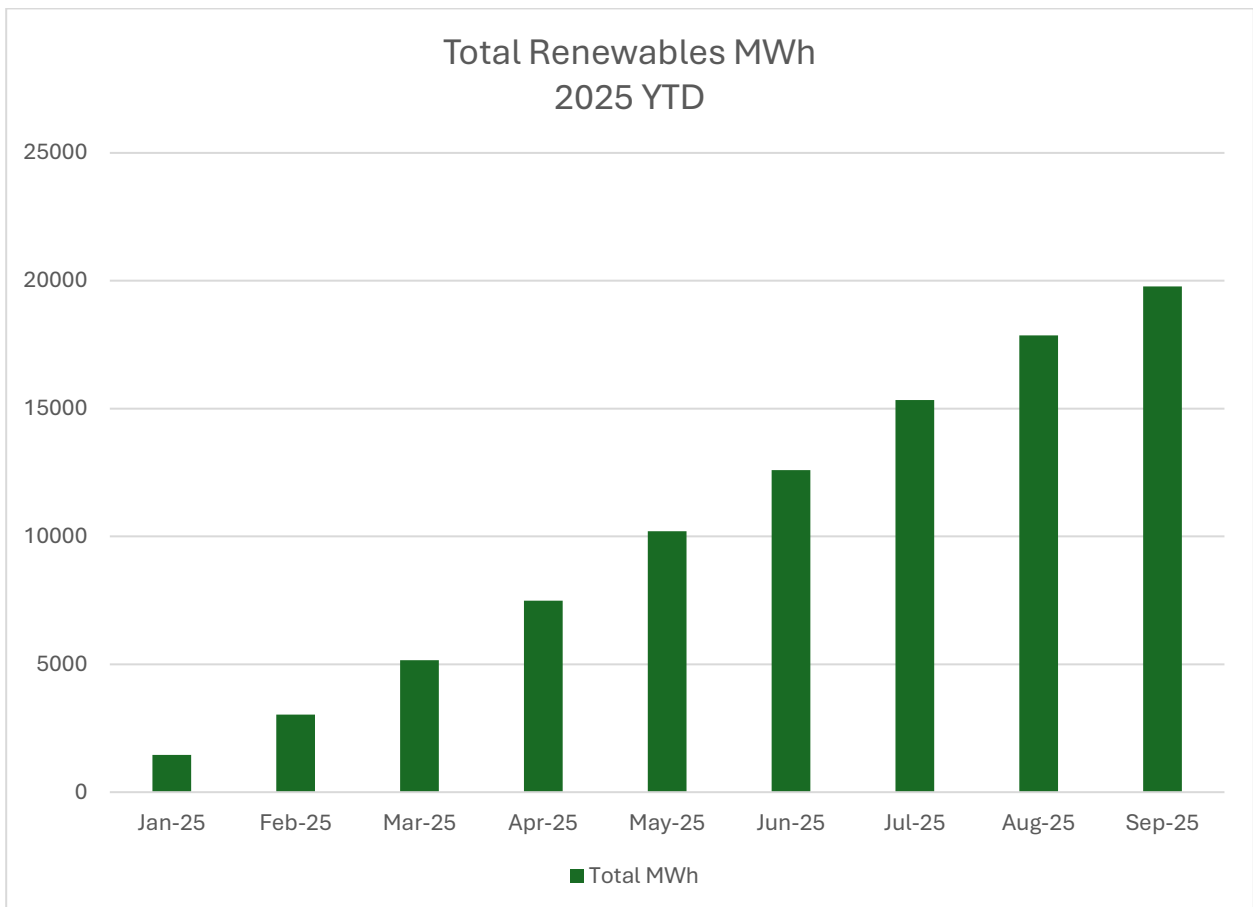
### Monthly MWh Comparisons of Renewables – September 2025



Monthly Total MWh of Renewables – September 2025



Year to date in 2025, BPU’s renewable energy facilities have produced a total of 19,780.93 megawatt-hours (MWh), with July standing out as the highest-producing month at 2,735 MWh and January being the lowest at 1,462 MWh, reflecting normal seasonal variations in sunlight and hydropower availability.



**Outages Oct 2025**

Date	Meters	Time	Location		Cause
<b>Water Interruptions</b>					
10/13/2025	1			Brd Airport	Contractor hit
10/19/2025	1		400 block	2nd Ave	Customer side
<b>Electric Interruptions</b>					
10/03/25	22	1hr 3minutes	1400 block	Baxter Dr	Replaced Cabinet/transformer
10/05/25	1	3 hrs 52 minutes	700 block	7th Ave NE	wind. Tree branch
10/11/25	1	1 hr 56 minutes	11000 block	Pepperidge Rd	wind. Tree branch
10/15/25	1	1 hour 51 minutes	9000 block	Northtown	Bad Ugd



# BRAINERD PUBLIC UTILITIES

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## **Brainerd Public Utilities Water/Wastewater Manager's Report October 2025**

### **Collection System Lift Stations**

Replaced one pump at Norrgard Lift with a spare pump and sent the old pump in to get looked at. Replaced the three original check valves at Evergreen Lift at a cost of \$78,452.00 Continuous operations and maintenance of wet wells, pumps, generators, and controls for the 17 lift stations are ongoing. Cleaning and painting of main lift pumps and piping as time allows. Lift Station operations and maintenance labor hours were 194.75 at a cost of \$9,685.03 dollars which includes weekends for the two stations that utilize pretreatment equipment. Lift Station Improvements labor hours were 42.5 at a cost of \$1,821.33 dollars.

### **Wastewater Treatment Facility Operations and Maintenance**

On-call operators tested weekly SCADA alarms for the Wastewater Treatment Facility and lift stations to ensure reliability of emergency systems.

### **Land Application of Biosolids Program**

Preparing the Biosolids Annual Report for Crop Year 2025, due by December 31, 2025. Working on the Minnesota Biosolids Pre – and Polyfluoroalkyl Substances (PFAS) Strategy compliance consisting of PFAS sampling, required actions include reduction efforts and communications with users. On-going development of the Minnesota Biosolids PFAS Strategy program for the approved Biosolids application sites. Staff will continue applying biosolids in October for CY 2026 after program participants have harvested the crops. Currently there are 157,000 gallons in storage.

### **Wastewater Lab Testing and Compliance**

Sent September 2025 Electronic Daily Monitoring Report to Minnesota Pollution Control Agency (MPCA). Ongoing Mercury Minimization, Copper Minimization Plan, and PFAS Minimization Plan continue. On-going program evaluation of delegation requirements with Brainerd and Baxter collection systems for Significant and Categorical Industrial Users (SIU and CIU).

### **Public Water System (PWS) Drinking Water Testing and Compliance**

Sent Lead and Copper result letters to the 30 residence and property owners' meeting Minnesota Department of Health notification requirements. Collected 15 Coliform samples throughout the distribution system to comply with MDH coliform testing requirements. Received and responded to 2 calls from residential concerning drinking water in September 2025.

### **Emergency Generator Maintenance and Operations**

Test ran Lum Park (Airport extension) water booster/Lift station, Riverside water extension booster, Evergreen Lift, Main Lift, SW6th Lift, portable 25KW, 150KW, 45KW and both Wastewater facilities generators. Added fuel as needed. Updating the portable generator Standard Operating Procedures (SOP's) for standardized emergency operations as various issues arise.

### **Water and Wastewater Personnel**

Water/Wastewater operators attended MMUA Safety Training. There will be an Advance Wastewater Treatment Training session held here at BPU in November that the Water/Wastewater operators will be attending. Training provided by Minnesota Rural Water Association (MRWA) and Minnesota Pollution Control Agency (MPCA).

### **September 2025 Water Pumping Statistics**

Water pumped to the North distribution system was 34,329,000 gallons for an average of 1,140,000 gallons per day. Water pumped to the South distribution system was 6,789,000 gallons for an average of 226,000 gallons per day. Chemical usage averages for the month: 2.82 gallons of fluoride per day, 6.09 gallons of caustic soda per day, 8.56 gallons of orthophosphate per day, and 21.1 pounds of chlorine per day. We went through 21 filter backwash events totaling 126 hours of labor, at a cost of \$5,171.46 dollars. Backwash average of 224,000 gallons per event.

### **Filtration Plant**

September 2025 daily test results showed an average of 0.88 milligrams per liter of iron in the unfiltered raw water and an average of 0.02 milligrams per liter of iron in the filtered finished water, which indicates the plant is achieving an average of 98.1% removal of iron.

\*Minimum standard for filtered finished water is 0.3 milligrams per liter of iron which would be 75% removal based on the unfiltered raw concentration.

September 2025 daily test results showed an average of 0.5 milligrams per liter of manganese in the unfiltered raw water and an average of 0.018 milligrams per liter of manganese in the filtered finished water which indicates 96.2% removal of manganese.  
\*Minimum standard for filtered finished water is 0.050 milligrams per liter of manganese which would be 90% removal based on the unfiltered raw concentration.

**Water tower communications failure**

On Thursday September 26, 2025, a copper phone line that connects the pump house to the water tower level measuring equipment was cut. This equipment controls the operations of high service pumps. Water production personnel executed emergency operations of the high service pumps to maintain tower levels, operators had to estimate the proper amount of time to run them to keep towers at adequate levels to supply the system. Friday September 27, 2025, at about 18:30 PM the operator on duty arrived to shut down the pumps and found the phone line was reconnected. Operations then resumed normal high service pump control.

**Chart Summary for Wastewater treatment**

September 2025-2024 Total influent flow comparisons  
2025 Combined Total flow was 54,917,000 gallons which is down 1,487,000 gallons from the previous year.  
2025 Brainerd Total Flow was 35,097,000 gallons which is down 1,369,000 gallons from the previous year.  
2025 Baxter Total Flow was 19,820,000 gallons which is down 118,000 gallons from the previous year.

**September 2025 Influent Daily Average Flows**

2025 Combined Flow was 1,831,000 gallons  
2025 Brainerd Flow was 1,170,000 gallons  
2025 Baxter Flow was 661,000 gallons

**Chart Summary for Water Production**

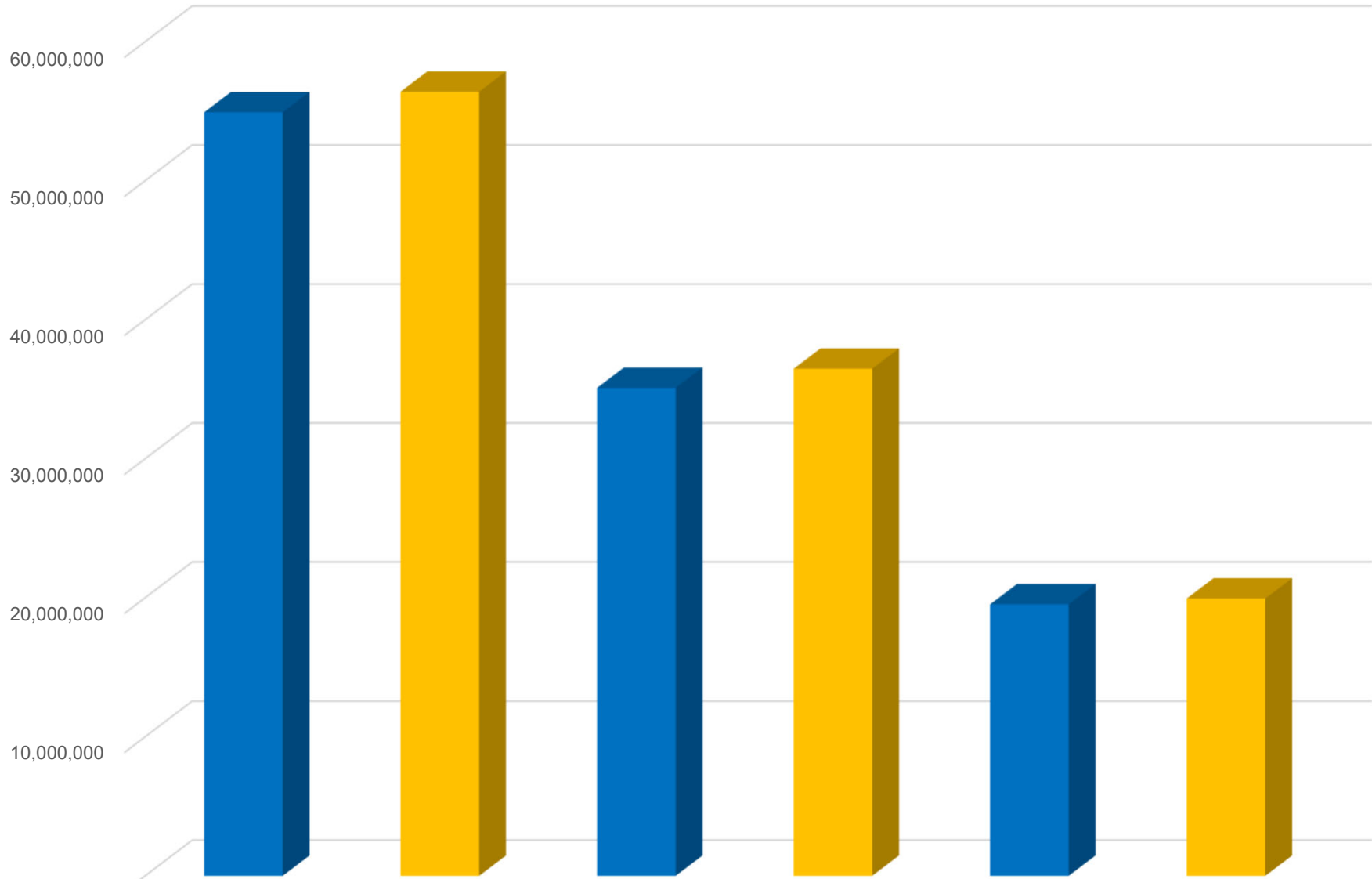
September 2025-2024 North distribution Total flow was 34,329,000 gallons which is down 22,471,000 gallons from the previous year.  
September 2025-2024 South distribution Total flow was 6,789,000 gallons which is up 303,000 gallons from the previous year.  
September 2025-2024 Baxter's Total flow was 0 gallons which is down 14,217,000 gallons from the previous year.

**September 2025 Daily Average Water North and South Distribution**

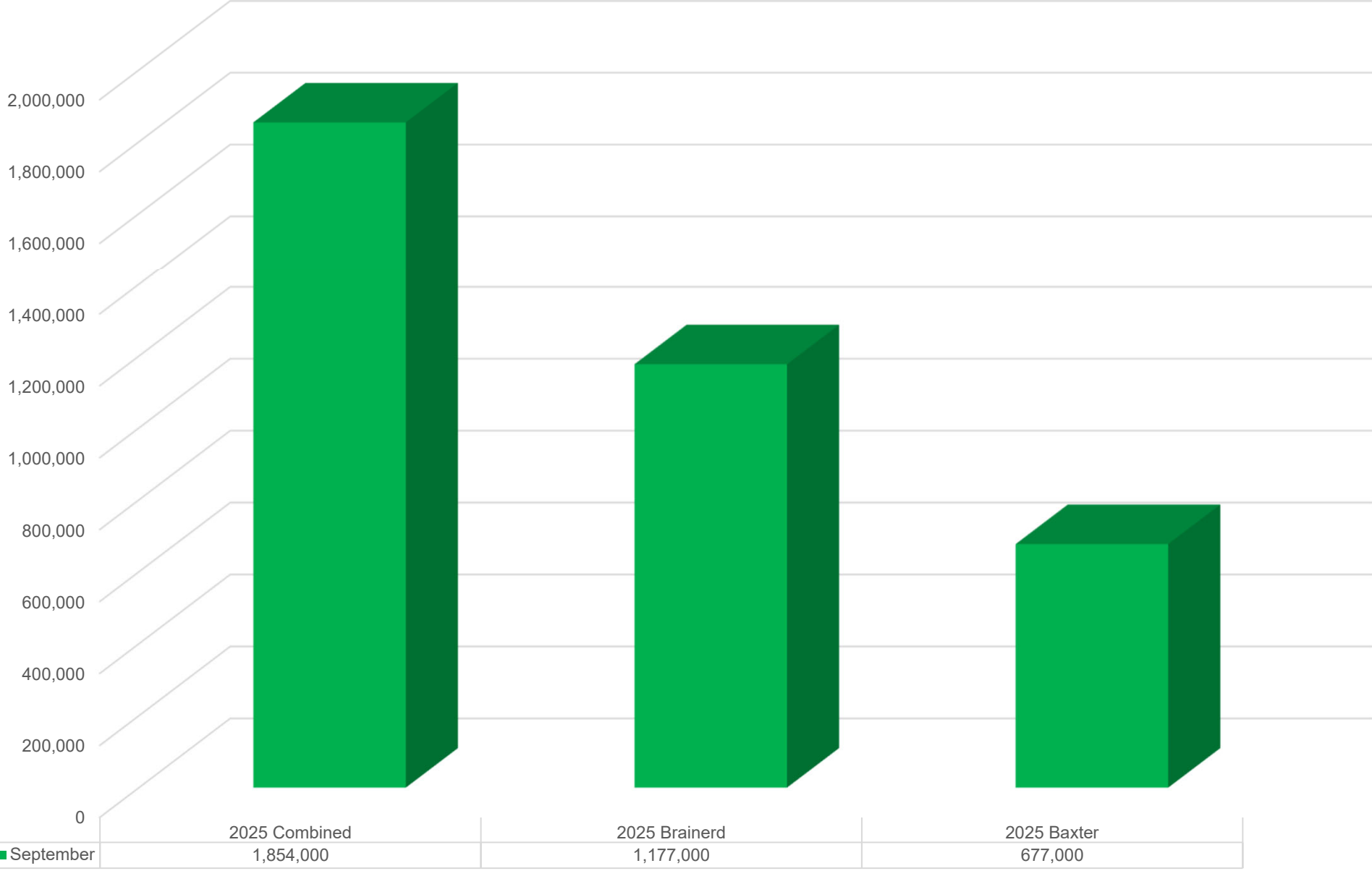
2025 North distribution average was 1,140,000 gallons  
2025 South distribution average was 226,000 gallons

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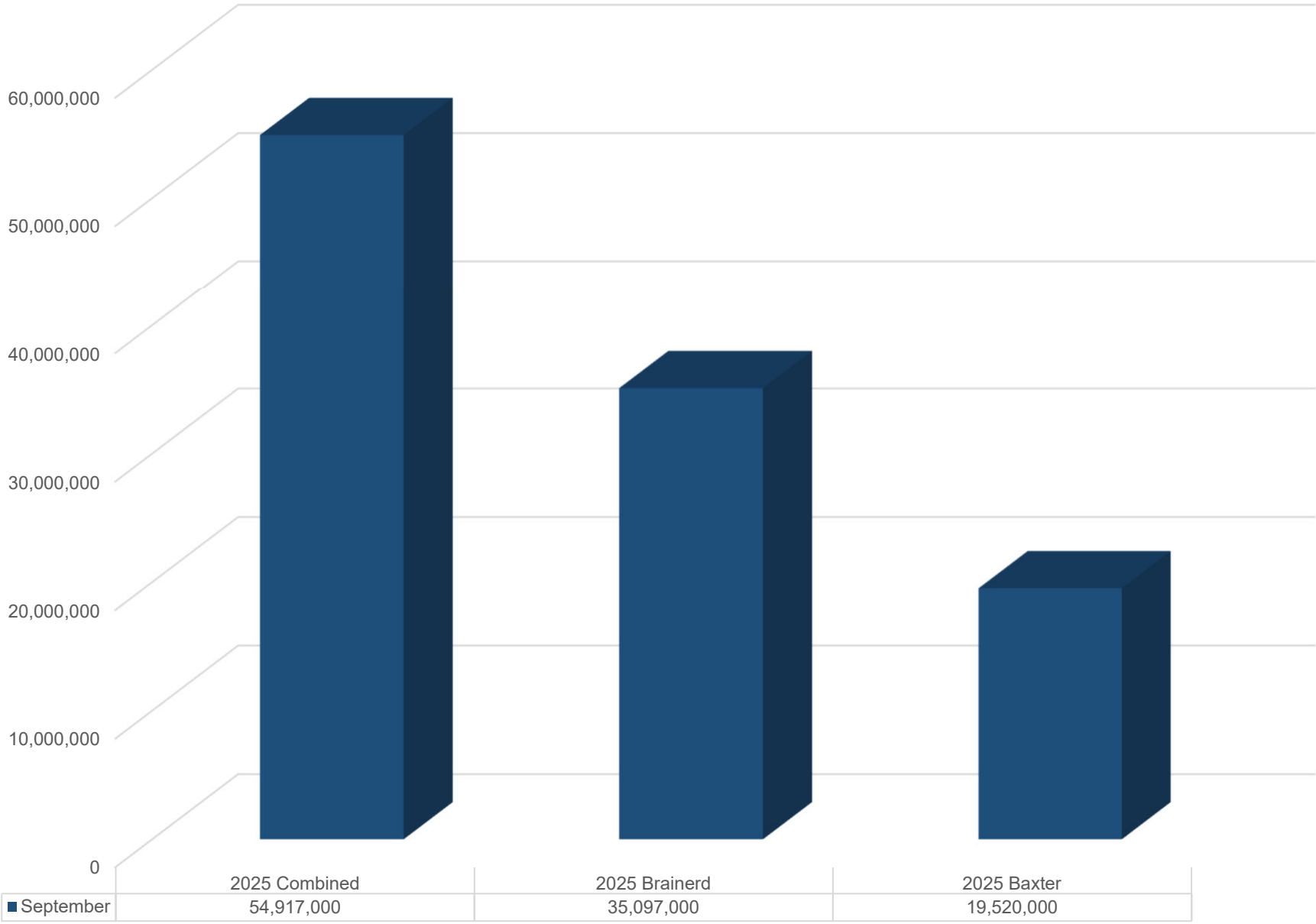
### September 2025 - 2024 Wastewater Influent Flow Comparisons



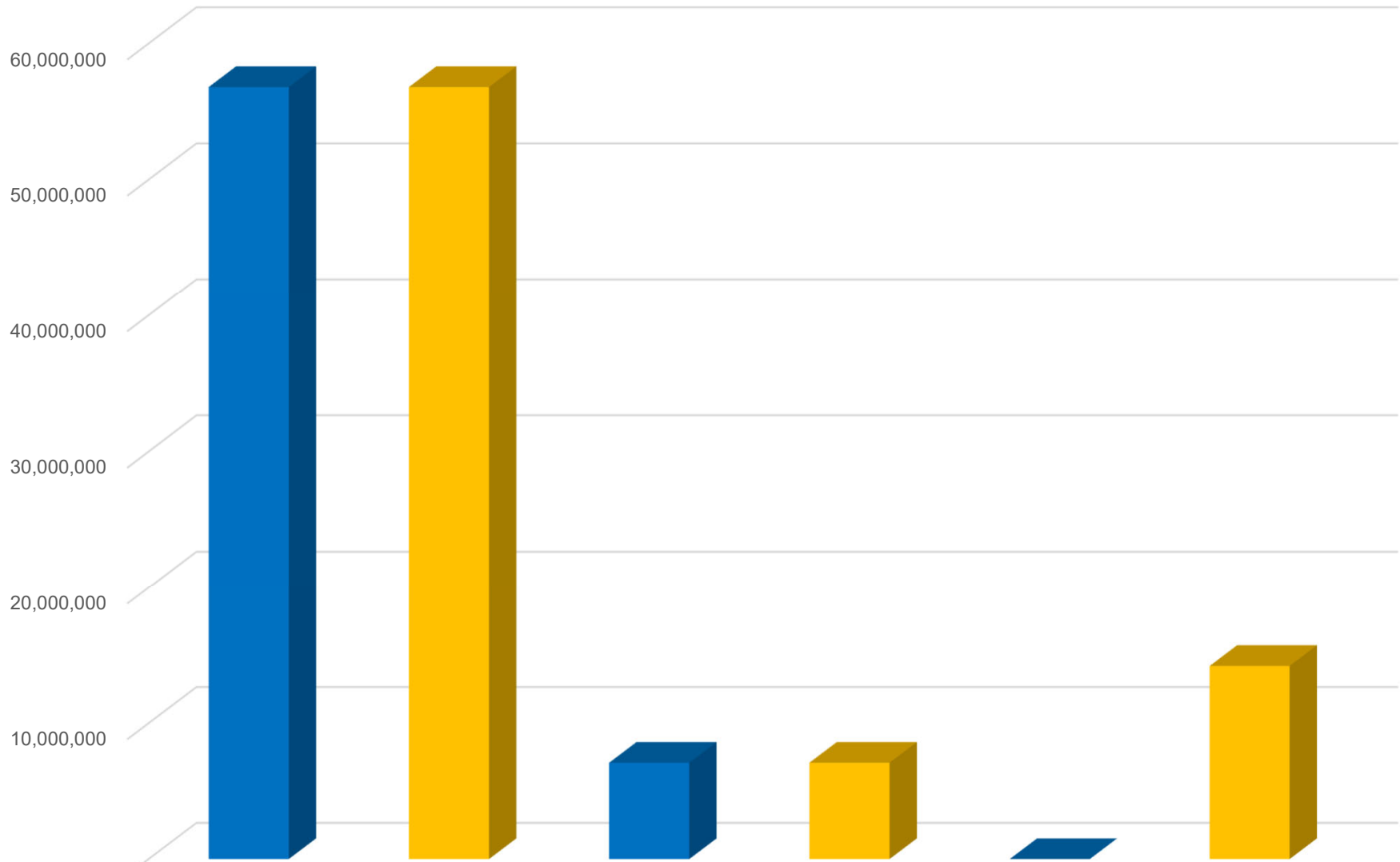
### September 2025 Wastewater Influent Daily Average Flows



### September 2025 Wastewater Influent Total Flows

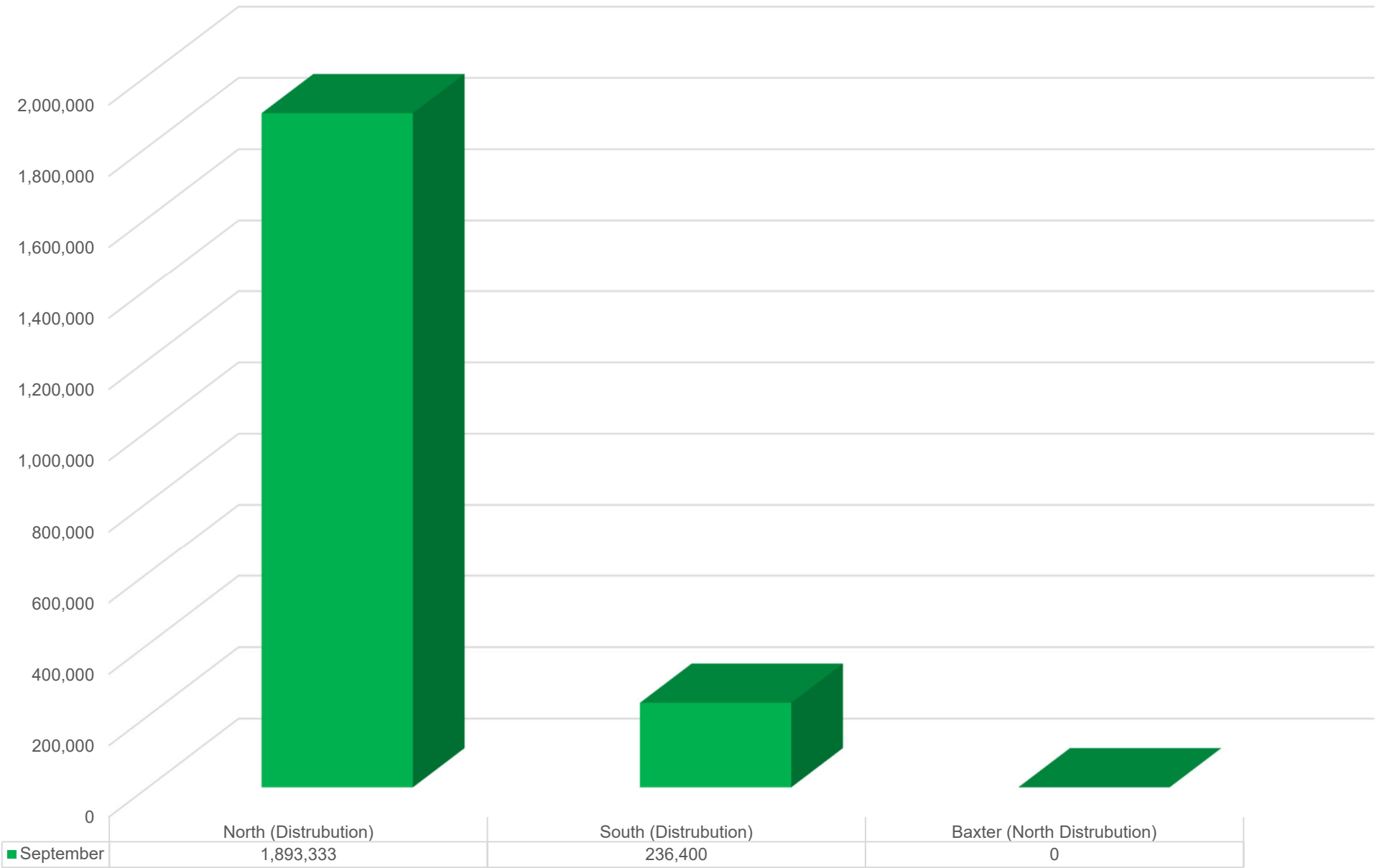


### September 2025 - 2024 Comparison Water Production Totals North and South Distribution

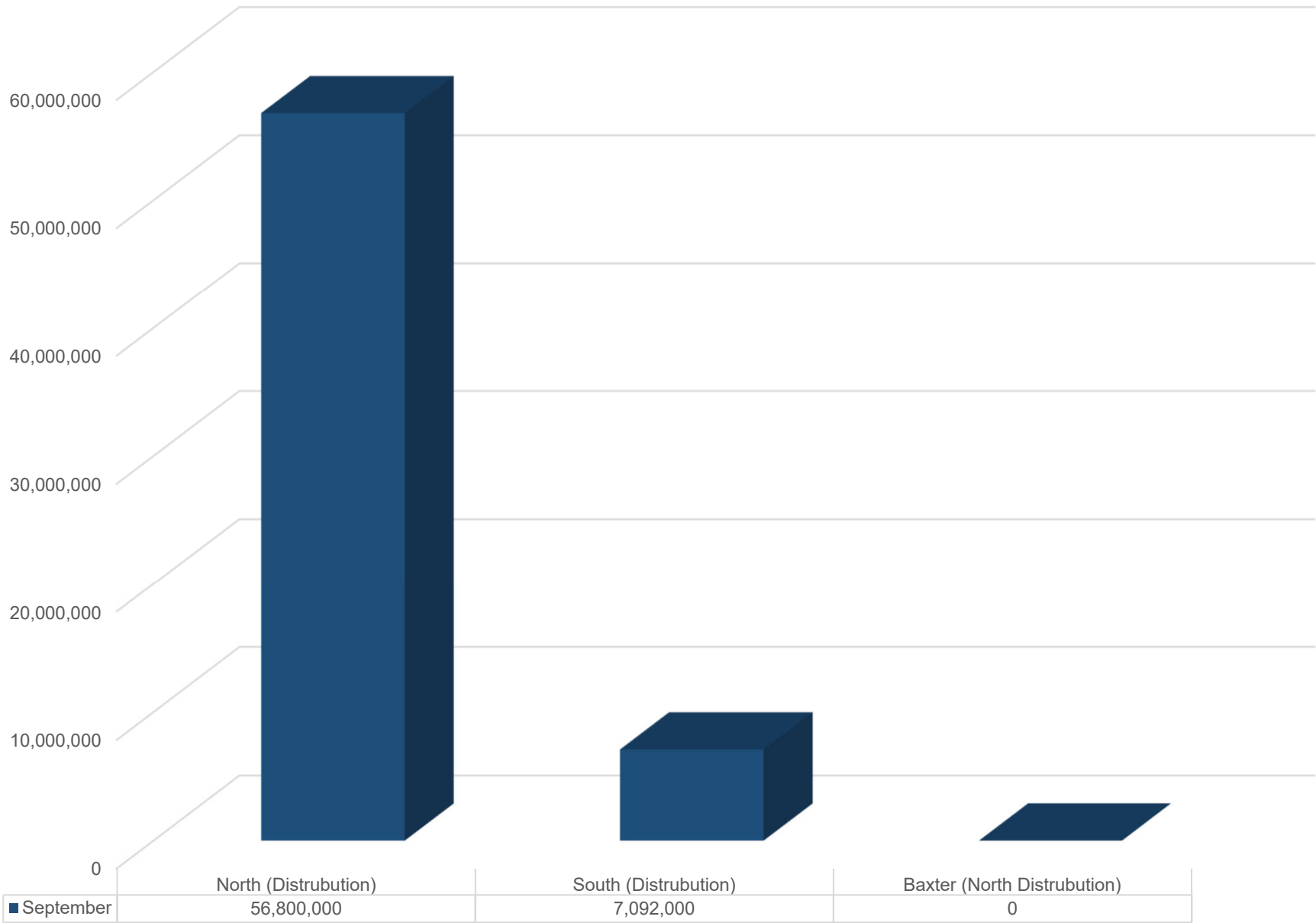


September	2025 North 56,800,000	2024 North 56,800,000	2025 South 7,092,000	2024 South 7,092,000	2025 Baxter -	2024 Baxter 14,217,000
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# September 2025 Daily Average North and South Distribution



September 2025 Total North and South Distribution





### **Projects**

- Replaced computers department wide, which included the move to Windows11 for all
  - Meetings were held before rollout to inform staff and address concerns, a follow-up meeting was also held for feedback. BPU staff were easy to work with throughout all the changes and the Technology team did a great job minimizing inconvenience and addressing issues rapidly
- Implemented numerous additional security measures to further fortify the BPU network
  - Implemented synchronization of local network credentials to Microsoft365 tenant allowing for fewer usernames and passwords for staff and allowing future single-sign-on options for other software solutions
  - Implemented multifactor authentication on new computers and will be requiring on the VPN connections
  - Implemented Microsoft Intune to remotely manage devices – allows for pushing updates, software installs and upgrades, security upgrades or changes, and other network policies to various devices on and off the network
  - Initial steps taken to allow tenant trusts between City and BPU networks – will simplify resource sharing and collaboration - calendars, sharepoint, teams, files, etc
- Fiber project - replacing older network switches to maintain/improve the network and bringing additional OT/SCADA locations and equipment online
- Helpdesk solution should be operational soon, centralizes requests for support City wide

### **Hardware/Software**

- New computers and monitors department wide
- Added Cisco Duo – multifactor authentication
- Added Microsoft Intune – remote management of computers
- Removed numerous desktop printers that are typically costly, troublesome, and inefficient

### **Other**

- Working on Technology-related portions of BPU 2026 capital and operations budgets
- Initial Technology staff schedule has worked well in 2025 to maintain staffing levels at multiple locations, potential for minor adjustments in 2026 as needs and focuses change

### **Future**

- Planning for cell phone and tablet replacements in 2026 – most will be standardized like other City departments and replaced on a similar frequency
- OT/SCADA computers need to be modernized but only at a pace where sufficient testing and troubleshooting can be done to ensure limited impact
- Will begin implementation of workflows within Incode for AP approval etc. Starting with just Technology items until the process is smooth, then other staff could also implement when ready